



Digitized by the Internet Archive
in 2013

<http://archive.org/details/mminutes1998sanf>

JUL - 3 2008

DOCUMENTS DEPARTMENT

SAN FRANCISCO PUBLIC LIBRARY



3 1223 05465 4893

CLOSED
STACKS



SAN FRANCISCO
PUBLIC LIBRARY

REFERENCE
BOOK

Not to be taken from the Library

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

January 13, 1998
1:00 P.M.
Room 402
1155 Market Street, Fourth Floor

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DOCUMENTS DEPT.

JAN 19 1998
SAN FRANCISCO
PUBLIC LIBRARY

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a. Budget Status (Moran)
 - b. System Modeling Options - 10 mins. (Williams)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

REGULAR BUSINESS

9. PUBLIC HEARING - Amending the Rules of Order restricting access to tape recordings of the Commission's closed session meetings. (Moran)
10. Canceling the Regular Meeting of February 10, 1998 and rescheduling to February 17, 1998. (Moran)
11. Authorizing the Finance Bureau to advertise for underwriting services for debt instruments to fund the capital program. (Continued from the meeting of December 16, 1997. Proposed for continuance to January 27, 1998.) (Carmichael)
12. Authorizing the Finance Bureau to advertise for financial advisory services to support water, sewer, and Hetch Hetchy revenue bond issuances and provide other financial planning services. (Continued from the meeting of December 16, 1997. Proposed for continuance to January 27, 1998.) (Carmichael)
13. Memorializing Howard P. Grant, a former Public Utilities Commission employee. (Moran)

CONSTRUCTION CONTRACTS

Advertise

14. Approving the final plans and specifications for San Francisco Water Department Contract No. WD-2231, Sunol Valley Water Treatment Plant Standby Power Modification, and authorizing advertisement for bids. (Cockburn)

CLOSED SESSION

15. Public Comments on matters to be discussed in Closed Session.
16. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

17. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Wong)

Existing Litigation: William Glass v. CCSF, et.al., Superior Court No. 972-719.
18. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: California Book Site, 11 Phelan Avenue, San Francisco
Portion of Assessor's Block No. 3180
Parties Negotiating: Dowd
Lessee: Undetermined
Under Negotiation: Price and Terms
19. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c)
and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on
Bernal Avenue in Alameda County.
Parties Negotiating: Ambrose/Nelson/Lymburn/Thompson
City of Pleasanton
Under Negotiations: Terms and Conditions

20. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Milstein)

Existing Litigation: Ric Craig, et.al. vs. CCSF, et.al., San Francisco Superior Court
No. 988226.

21. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Berliner)

Existing Litigation: Bay Delta Hearings before the State Water Resources Control
Board.

22. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Berliner)

Existing Litigation: 1) Electric Restructuring Hearings before the California Public
Utilities Commission.
2) Electric Restructuring Hearings before the Federal Energy
Regulatory Commission.

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

23. Announcement following Closed Session.

24. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

January 13, 1998
1:00 P.M.
Room 402
1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

FEB 03 1998

SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Lorna T. Navarro
ACTING SECRETARY

1. Call to Order: 1:05 P.M.

2. Roll Call: Present - President Victor G. Makras, Vice President Ann Moller Caen, Commissioner E. Dennis Normandy, Commissioner Frank L. Cook

Excused - Commissioner Robert K. Werbe

3. Approval of Minutes

On motion by Commissioner Normandy, seconded by Commissioner Cook, the Minutes of the Regular Meeting of December 16, 1997 were approved (4-0) by unanimous vote.

4. Communications

No action was taken.

5. Introduction of Old/Ongoing Business by Commissioners

President Makras requested staff to provide the Commission with a list of PUC's sludge dumping contracts and indicate which contracts were extended. He said he would like to explore the possibility of combining all sludge hauling and dumping contracts to manage this activity more efficiently.

Commissioner Caen asked about the status of the Commission's request for monthly financial reports. Anson B. Moran, General Manager of Public Utilities, stated that staff is working on the format of the report and that it would be submitted to the Commission when it is finalized.

President Makras stated that a number of the items on the old/ongoing business list are very old. He directed staff to provide specific dates at the next meeting on when all the old/ongoing business items could be addressed. President Makras also asked staff to address the budget related items requested in last year's budget review. Mr. Moran responded that some of those items were addressed in the budget proposal for FY 1998-99.

6. Introduction of New Business by Commissioners

President Makras directed staff to review all contracts for compliance with the Equal Benefits Ordinance. He asked for clarification regarding the application of the Ordinance to contracts that were extended prior to implementation of the Ordinance. Staff would provide this information at the next meeting and also report about their experience in implementing the Ordinance.

President Makras asked staff to implement a process in which the Commission could be advised when contracts come up for termination. Mr. Moran stated that staff would explore the best means of reporting that to the Commission. He indicated that an annual report would be more useful.

7. Report of the General Manager

a. Budget Status

Mr. Moran described the format of the budget request for FY 1998-99. He stated that the budget was prepared based on current year's budget level and does not include the estimated 3-1/2% Consumer Price Index (CPI).

President Makras stated that although he was looking for a flat budget and a zero rate increase in the next year's budget, he also would like to have a discussion with staff regarding the needs of the departments and bureaus in order to run their operation at 100%.

President Makras stated that he would like to see funds allocated to refurbish the Moccasin Powerhouse. Mr. Moran responded that slightly more than \$1 million has been allocated in the Capital Improvement Program for that purpose.

President Makras directed staff to schedule a discussion on the historical preservation of certain buildings and structures owned by PUC.

b. System Modeling Options

Mary Williams presented some possibilities for physical and computer modeling of the PUC water system. She presented the purpose and potential audiences for a model, reviewed the advantages, disadvantages and costs of various physical and computer models and presented a videotape of several computer modeling alternatives. The alternatives included fixed-wing aerial videography, three-dimensional computer animation using AutoCad drawings as source material and animation of

architectural renderings. Commissioner Normandy asked whether any of these models were being considered in the PUC Communications Program which Tim Dayonot answered affirmatively.

8. Public Comments

Emeric Kalman inquired whether the PUC approved the allocation of \$360,928 in sewer funds and \$1,142,634 in Water Department funds to the Zoo Project. President Makras asked Mr. Kalman to provide staff with a copy of the documents he referenced in his comments so that the Commission could take necessary actions to address his concern.

REGULAR CALENDAR

9. PUBLIC HEARING - Amending the PUC Rules of Order.

Emeric Kalman suggested keeping a second copy of the tapes in another location in case the original tapes are destroyed by fire or earthquake.

Moved by Commissioner Caen, seconded by Commissioner Cook to adopt Item 9, passed (4-0) unanimously.

Resolution No. 98-0001: Amending the Rules of Order restricting access to tape recordings of the Commission's closed session meetings.

10. Rescheduling the Regular Meeting of February 10, 1998 to February 17, 1998.

Moved by President Makras, seconded by Commissioner Normandy to adopt Item 10, passed (4-0) unanimously.

Resolution No. 98-0002: Canceling the Regular Meeting of February 10, 1998 and rescheduling to February 17, 1998.

11. Authorizing the Finance Bureau to advertise for underwriting services for debt instruments to fund the capital program. (Continued from the meeting of December 16, 1997).

Moved by President Makras, seconded by Commissioner Normandy to continue Item 11 to January 27, 1998; passed (4-0) unanimously.

12. Authorizing the Finance Bureau to advertise for financial advisory services to support water, sewer, and Hetch Hetchy revenue bond issuances and provide other financial planning services. (Continued from the meeting of December 16, 1997.)

Moved by President Makras, seconded by Commissioner Normandy to continue Item 12 to January 27, 1998; passed (4-0) unanimously.

13. Memorializing Howard P. Grant.

Moved by Commissioner Cook, seconded by Commissioner Normandy to adopt Item 13, passed (4-0) unanimously.

Resolution No. 98-0003: Memorializing Howard P. Grant, a former Public Utilities Commission employee.

CONSTRUCTION CONTRACTS

14. Authorizing advertisement for bids for San Francisco Water Department Contract No. WD-2231.

President Makras asked about the economic impact to the system if there was no standby power at the treatment plant. Mr. Robert T. Cockburn, Manager of the Utilities Engineering Bureau, responded that the standby power would give additional backup power to keep the Sunol Valley Water Treatment Plant on line and operational when Hetch Hetchy power is down. In response to President Makras' question, Mr. Cockburn stated that this project could not wait until the Sunol Water Treatment Plant Improvement Project is completed as that project would take four to five years to complete.

Mr. Arthur Jensen, General Manager of the Bay Area Water Users Association, commented that the potential consequence of a power failure at the Sunol Water Treatment Plant is loss of water into the system. He stated that the quality of water supplied to customers is consequently affected as untreated water is introduced in the system to make up for the loss.

Moved by Commissioner Normandy, seconded by Commissioner Cook to adopt Item 14, passed (4-0) unanimously.

Resolution No. 98-0004: Approving the final plans and specifications for San Francisco Water Department Contract No. WD-2231, Sunol Valley Water Treatment Plant Standby Power Modification and authorizing advertisement for bids.

CLOSED SESSION

15. Public Comments on matters to be discussed in Closed Session.

There were no public comments.

16. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Caen to assert the attorney-client privilege, passed (4-0) unanimously.

The Public Utilities Commission met in Closed Session from 2:10 p.m. to 5:35 p.m. to discuss the following matters:

17. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: William Glass v. CCSF, et.al.
Superior Court No. 972-719

Moved by Commissioner Cook, seconded by Commissioner Normandy to approve a settlement for Item 17, passed (4-0) unanimously.

Resolution No. 98-0005: Approving settlement in the case of William Glass v. CCSF, et.al, Superior Court No. 972-719

18. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: California Book Site, 11 Phelan Avenue, San Francisco
Portion of Assessor's Block No. 3180

Parties Negotiating: Dowd

Lessee: Undetermined

Under Negotiation: Price and Terms

No action was taken.

19. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating: Ambrose/Nelson/Lymburn/Thompson
City of Pleasanton
Under Negotiations: Terms and Conditions

No action was taken.

20. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Ric Craig, et.al. vs. CCSF, et.al., San Francisco Superior Court No. 988226.

No action was taken.

Commissioner Normandy was excused at 3:45 p.m.

21. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Bay Delta Hearings before the State Water Resources Control Board.

Moved by Commissioner Caen, seconded by Commissioner Cook to approve staff's recommendation for Item 21, passed (3-0) unanimously.

Resolution No. 98-0006: Agrees to enter into "Statement of Support for the Vernalis Adaptive Management Plan" and authorizes the General Manager to endorse the "Statement of Support for the Vernalis Adaptive Management Plan."

22. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: 1) Electric Restructuring Hearings before the California Public Utilities Commission.

 2) Electric Restructuring Hearings before the Federal Energy Regulatory Commission.

No action was taken.

23. Announcement following Closed Session.

President Makras announced the actions taken during the Closed Session.

24. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Caen not to disclose the discussion during the Closed Session; passed (3-0) unanimously.

Thereupon, the meeting was adjourned: 5:38 P.M.

Lorna T. Navarro
Acting Secretary

82
2
0/98
022121

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

January 20, 1998
11:00 A.M.
Room 402
1155 Market Street, Fourth Floor

SAFETY DEPT.
JAN 15 1998
SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Public Hearing - To consider Budget Proposals for Fiscal Year 1998-99 for the departments and bureaus under the jurisdiction of the Public Utilities Commission.

ADJOURNMENT

SAN FRANCISCO PUBLIC UTILITIES
COMMISSION

January 20, 1998
Special Meeting

There are no minutes available for this meeting

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

January 27, 1998

1:00 P.M.

Room 402

1155 Market Street, Fourth Floor

DOCUMENT
JAN 28 1998
SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - Presentation of a resolution memorializing Howard Grant.
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

REGULAR BUSINESS

9. Public Hearing - To consider the proposed budget for Hetch Hetchy, Water and Clean Water Enterprises and supporting PUC bureaus for the Fiscal Year 1998-99.
(Carmichael)
10. Requesting the Mayor to recommend to the Board of Supervisors approval of a supplemental appropriation in the amount of \$796,107 to support the voter-approved water bond measures, Propositions A and B. (Williams)
11. Authorizing the Finance Bureau to reimburse capital projects that meet Proposition A and B funding requirements in the 1997-98 budget. Carmichael)
12. Authorizing the Customer Service Bureau to offer San Francisco Water Department customers various electronic water and sewer payment options. (Mullane)
13. Authorizing the Customer Service Bureau to offer Water Department customers a "pay by phone" option utilizing credit cards for the payment of water and sewer bills; and approving the convenience fee addendum. (Continued from the meeting of December 16, 1997.) (Mullane)
14. Authorizing the extension of the water service contract with the National Park Service for the Presidio to February 28, 1998. (Ritchie)
15. Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission; and requesting the Board of Supervisors to approve the expenditure of funds for the emergency work to replace the structurally inadequate sewer on 23rd Avenue from Lincoln Way to Irving Street (Contract No. 1438N) (Cockburn)

LEASES AND PERMITS

16. Authorizing the General Manager of Public Utilities to execute a lease with Next Century Restaurants, Inc., dba Pisces Restaurant, for use of Public Utilities Commission land located on a portion of Parcel 23 of San Mateo County lands, former Muni right of way, Burlingame, California for access, construction and maintenance of an approximately 538 square foot extension of an adjacent restaurant, at a monthly rental rate of \$1,800.
(Dowd)

CONSTRUCTION CONTRACTS

17. Approving the final plans and specifications for Contract No. CW-125, Virginia/Fair Avenues/Godeus Street Sewer Replacement; authorizing the Department of Public Works (DPW) to utilize work order monies to fund the sewer work to be incorporated into their street work contract; and providing DPW with the authority to manage the sewer work portion in accordance with DPW policies. (Cockburn)

Advertise

18. Approving the final plans and specifications for San Francisco Water Department Contract No. WD-2223, San Francisco Water Supervisory Control and Data Acquisition (SCADA) System, and authorizing advertisement for bids. (Cockburn)
19. Approving the final plans and specifications for Utilities Engineering Bureau Contract No. CW-116, 33rd Avenue/Lyon Street/Molimo Drive Sewer Replacement, and authorizing advertisement for bids. (Cockburn)

Award

20. Awarding Contract No. CW-105 (Job Order No. 1396N), Broderick/Fell/Sutter Streets Sewer Replacement to Willie Electric Co., Inc., in the amount of \$279,450.
(Cockburn)
21. Awarding Contract RR-0002 (Job Order No. 1253N), 12th Street Sewer Replacement, in the amount of \$255,060 to A. Ruiz Construction Co. (Cockburn)

PROFESSIONAL SERVICE CONTRACTS

Advertise

22. Authorizing the Finance Bureau to advertise for financial advisory services to support water, sewer, and Hetch Hetchy revenue bond issuances and provide other financial planning services. (Continued from the meeting of January 13, 1998). (Carmichael)
23. Authorizing the Finance Bureau to advertise for underwriting services for debt instruments to fund the capital program. (Continued from the meeting of January 13, 1998). (Carmichael)
24. Authorizing the General Manager of Public Utilities to issue a Request for Proposals (RFP) for consultant services to study and minimize pollutants from small quantity dischargers and requesting the Controller to transfer \$80,000 from "Current Services" to "Professional and Specialized Services" to fund the project. (Medbery)
25. Authorizing the Utilities Engineering Bureau to issue a Request for Proposals (RFP) for professional services for inspection, hydraulic study and improvement work for wastewater deep water outfall systems. (Cockburn)

Amend

26. Authorizing the Utilities Engineering Bureau Manager to execute Amendment No. 6 to the agreement with Westin Engineering Inc. extending the term of the contract by 166 calendar days to June 30, 1998 with no increase in cost; and to negotiate Amendment No. 7 for engineering services during construction. (Cockburn)
27. Authorizing the General Manager of Public Utilities to continue an existing relationship by executing Amendment No. 11 to the agreement with JRP Historical Consulting Services, increasing the contract amount by \$70,000; and extending the term of the contract by one year to December 31, 1998. (Klein)

CLOSED SESSION

28. Public Comments on matters to be discussed in Closed Session.
29. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

30. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Milstein)

Existing Litigation: Ric Craig, et.al. vs. CCSF, et.al., San Francisco Superior Court
No. 988226.
31. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):
(Dowd/Sullivan)

Anticipated Litigation: As Plaintiff
Regarding Muni right of way Parcel 22, 23, and 24,
City of Burlingame
32. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c)
and Conference with Real Property Negotiator - Pursuant to Government Code Section
54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on
Bernal Avenue in Alameda County.
Parties Negotiating: Ambrose/Nelson/Lymburn/Thompson
City of Pleasanton
Under Negotiations: Terms and Conditions

33. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Berliner)

Existing Litigation: 1) Electric Restructuring Hearings before the California Public
Utilities Commission.

2) Electric Restructuring Hearings before the Federal Energy
Regulatory Commission.

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

34. Announcement following Closed Session.

35. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

**Willie L. Brown, Jr.
MAYOR**

REGULAR MEETING

**January 27, 1998
1:00 P.M.
Room 402
1155 Market Street, Fourth Floor**

DOCUMENTS DEPT.
MAR 03 1998
SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

**Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook**

DEPARTMENTS

**Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program**

BUREAUS

**Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality**

**Anson B. Moran
GENERAL MANAGER**

**Lorna T. Navarro
ACTING SECRETARY**

1. Call to Order: 1:10 P.M.

2. Roll Call: Present - President Victor G. Makras, Vice President Ann Moller Caen, Commissioner E. Dennis Normandy, Commissioner Frank L. Cook

Excused - Commissioner Robert K. Werbe

3. Approval of Minutes

On motion by Commissioner Caen, seconded by Commissioner Normandy, the Minutes of the Regular Meeting of January 13, 1998 were approved (4-0) by unanimous vote.

4. Communications

No action was taken.

5. Introduction of Old/Ongoing Business by Commissioners

Anson B. Moran, General Manager of Public Utilities, stated that the old/ongoing business list had been revised to include the delivery dates and the name of the person responsible for preparing the information requested by the Commission.

6. Introduction of New Business by Commissioners

There was no new business introduced by Commissioners.

7. Report of the General Manager

Mr. H. Welton Flynn thanked the Commission for honoring Mr. Howard P. Grant, a former Public Utilities Commission employee. President Makras presented to Mr. Grant's widow a resolution in memory of Mr. Howard Grant.

8. Public Comments

There were no public comments.

REGULAR CALENDAR

9. Public Hearing to consider Budget Proposals for Fiscal Year 1998-99.

Mr. Moran stated that the proposed budget for fiscal year 1998-99 was responsive to the direction of the Commission in looking at ways to contain costs in the Clean Water Program and maintain a 0% rate increase for water and sewer services. He said the proposed budget was also responsive to Commission priorities and concerns to fund or continue funding the restoration of the Sunol Water Temple and the old Moccasin Powerhouse, the Comprehensive Communications Plan, expansion and maintenance of the sewer collection system, odor control, industrial safety and watershed protection.

The Commission was unanimous in commending staff for a remarkable job in preparing a budget that reflected the policy and directions of the Commission.

President Makras advised staff that the Commission would decide how surplus funds would be spent.

Moved by Commissioner Cook, seconded by Commissioner Caen to adopt Item 9, passed (4-0) unanimously.

Resolution No. 98-0007: Adopting the budget proposals for Hetch Hetchy, Water and Clean Water Enterprises and supporting PUC bureaus for fiscal year 1998-99 totaling \$334,378,809.

10. Approval of a Supplemental Appropriation to support the implementation of Propositions A and B.

President Makras asked about the reasons for hiring staff before the bonds were sold. Steven Carmichael, Manager of Finance Bureau, responded that it takes about three to four months to get positions filled. He stated that the positions requested were primarily engineering positions responsible for the preliminary design of projects that would be funded with the first debt issuance.

Moved by Commissioner Normandy, seconded by Commissioner Caen to adopt Item 10, passed (4-0) unanimously.

Resolution No. 98-0008: Requesting the Mayor to recommend to the Board of Supervisors approval of a supplemental appropriation in the amount of \$796,107 to support the voter-approved water bond measures, Propositions A and B.

11. Authorizing the Finance Bureau to reimburse capital projects that meet Proposition A and B funding requirements.

Commissioner Cook noted that the first resolved clause needs to be corrected by deleting the first appearance of the word "the" to read: "Resolved, That this Commission hereby, declares ~~the~~ its intent to reimburse . . ."

Moved by Commissioner Normandy, seconded by Commissioner Caen to adopt Item 11. President Makras voted no. Commissioners Normandy and Caen withdrew their motion to take public comments.

Emeric Kalman requested a list of capital projects covered under Proposition A and Proposition B funding requirements and the cost estimates for each project. He suggested making a separate listing of projects for each proposition. President Makras directed staff to respond to Mr. Kalman's with a copy to the Commission.

President Makras stated that he was not supportive of the resolution. He said the resolution did not define the limits as to which projects and how much could be funded under Propositions A and B.

Peter Byrne asked about the reason for taking action on this matter when the bonds have not been sold yet.

Moved by Commissioner Caen, seconded by Commissioner Cook to adopt Item 11 passed (3-1). President Makras voted no.

Resolution No. 98-0009: Authorizing the Finance Bureau to reimburse capital projects that meet Proposition A and B funding requirements in the 1997-98 budget.

On recommendation by Mr. Moran, President Makras moved, seconded by Commissioner Normandy to continue Items 12 and 13 to the call of the chair; passed (4-0) unanimously.

12. Authorizing the Customer Service Bureau to offer San Francisco Water Department customers various electronic water and sewer payment options.
13. Authorizing the Customer Service Bureau to offer Water Department customers a "pay by phone" option utilizing credit cards for the payment of water and sewer bills; and approving the convenience fee addendum.

14. Authorizing the extension of the water service contract for the Presidio.

Emeric Kalman suggested establishing separate water service contracts for the National Park Service and the Presidio Trust.

Moved by Commissioner Cook, seconded by Commissioner Normandy to adopt Item 14, passed (4-0) unanimously.

Resolution No. 98-0010: Authorizing the extension of the water service contract with the National Park Service for the Presidio to February 28, 1998.

15. Ratifying the Declaration of Emergency and requesting approval of expenditure of funds to replace the structurally inadequate sewer on 23rd Avenue from Lincoln Way to Irving Street (Contract No. 143N).

Moved by Commissioner Normandy, seconded by Commissioner Cook to adopt Item 15, passed (4-0) unanimously.

Resolution No. 98-0011: Approving the Declaration of Emergency made by the President of the Public Utilities Commission; and requesting the Board of Supervisors to approve the expenditure of funds for the emergency work to replace the structurally inadequate sewer on 23rd Avenue from Lincoln Way to Irving Street (Contract No. 1438N).

LEASES AND PERMITS

16. Authorizing a lease with Next Century Restaurants, Inc., dba Pisces Restaurant.

Moved by Commissioner Cook, seconded by Commissioner Caen to adopt Item 16, passed (4-0) unanimously.

Resolution No. 98-0012: Authorizing the General Manager of Public Utilities to execute a lease with Next Century Restaurants, Inc., dba Pisces Restaurant, for use of Public Utilities Commission land located on a portion of Parcel 23 of San Mateo County lands, former Muni right of way, Burlingame, California for access, construction and maintenance of an approximately 538 square foot extension of an adjacent restaurant, at a monthly rental rate of \$1,800.

CONSTRUCTION CONTRACTS

17. Authorizing advertisement for bids for Contract No. CW-125, Virginia/Fair Avenues/Godeus Street Sewer Replacement.

Moved by Commissioner Normandy, seconded by Commissioner Caen to adopt Item 17, passed (4-0) unanimously.

Resolution No. 98-0013: Approving the final plans and specifications for Contract No. CW-125, Virginia/Fair Avenues/Godeus Street Sewer Replacement; authorizing the Department of Public Works (DPW) to utilize work order monies to fund the sewer work to be incorporated into their street work contract; and providing DPW with the authority to manage the sewer work portion in accordance with DPW policies.

18. Authorizing advertisement for bids for San Francisco Water Department Contract No. WD-2223.

Moved by Commissioner Cook, seconded by Commissioner Caen to adopt Item 18, passed (4-0) unanimously.

Resolution No. 98-0014: Approving the final plans and specifications for San Francisco Water Department Contract No. WD-2223, San Francisco Water Supervisory Control and Data Acquisition (SCADA) System, and authorizing advertisement for bids.

On recommendation by President Makras, Commissioner Caen moved, seconded by Commissioner Normandy to adopt Items 19, 20 and 21 as consent items; passed (4-0) unanimously.

19. Resolution No. 98-0015: Approving the final plans and specifications for Utilities Engineering Bureau Contract No. CW-116, 33rd Avenue/Lyon Street/Molimo Drive Sewer Replacement, and authorizing advertisement for bids.
20. Resolution No. 98-0016: Awarding Contract No. CW-105 (Job Order No. 1396N), Broderick/Fell/Sutter Streets Sewer Replacement to Willie Electric Co., Inc., in the amount of \$279,450.

21. Resolution No. 98-0017: Awarding Contract RR-0002 (Job Order No. 1253N), 12th Street Sewer Replacement, in the amount of \$255,060 to A. Ruiz Construction Co.

22. Authorizing the Finance Bureau to advertise for financial advisory services. (Continued from the meeting of January 13, 1998).

President Makras indicated that he would like to shorten the term of the contract from five years to one year to give the Commission the opportunity to review the performance of the consultant during the first year, determine the consultant's recommendation regarding commercial paper programs and then decide whether to continue the contract for another year.

Commissioner Normandy moved, Commissioner Caen seconded, to continue Item 22 to the call of the Chair to allow rewording of the resolution to accommodate President Makras' concern.

Commissioner Normandy and Caen withdrew their motion to discuss other options.

Commissioner Normandy suggested amending the resolution to approve the contract for one year with the option to renew the contract each year for two years for a maximum not to exceed three years. President Makras directed staff to return to the Commission on each anniversary date so that the Commission can decide whether to continue with the contract.

Moved by Commissioner Normandy, seconded by Commissioner Caen to adopt Item 22 as amended; passed (4-0) unanimously.

- Resolution No. 98-0018: Authorizing the Finance Bureau to advertise for financial advisory services to support water, sewer, and Hetch Hetchy revenue bond issuances and provide other financial planning services for a contract term of one year plus two one-year options at the discretion of the Commission.

23. Authorizing the Finance Bureau to advertise for underwriting services.
(Continued from the meeting of January 13, 1998).

Peter Byrne asked whether the commercial paper program would be subject to voters' approval. Mr. Carmichael responded that the authority to venture in commercial paper programs came with the passage of Propositions A and B.

Mr. Carmichael described how a commercial paper program works. He stated that staff would schedule an in-depth presentation to the Commission regarding commercial paper programs. President Makras requested staff to provide to the Commission a model of the Port or Airport's commercial paper program.

Moved by Commissioner Caen, seconded by Commissioner Cook to adopt Item 23, passed (4-0) unanimously.

Resolution No. 98-0019: Authorizing the Finance Bureau to advertise for underwriting services for debt instruments to fund the capital program.

The Commission took the agenda out of order and discussed Item 27 first.

27. Authorizing the General Manager of Public Utilities to continue an existing relationship with JRP Historical Consulting Services.

Commissioner Normandy expressed his support of the resolution to continue the existing work performed by JRP and conduct a historical inventory of Moccasin. He suggested that staff consider the concerns raised by the Tuolumne County Historic Preservation Review Commission regarding inclusion of landscaping in the historic survey.

President Makras expressed opposition in conducting a historical survey and spending funds to inventory the properties in Moccasin. He was concerned about the PUC losing control in managing its own properties and the economic effect to our operations in the future once these properties were registered as historical.

Mr. Joshua Milstein, Deputy City Attorney, explained the value of the survey to PUC in preventing delays in future construction projects in Moccasin if a construction project is challenged as changing an eligible historic site. He also noted the possibility of a third party doing a historical survey of its own.

Moved by Commissioner Normandy, seconded by Commissioner Cook to adopt Item 27, Commissioners Normandy and Cook voted yes. President Makras and Commissioner Caen voted no. The motion failed.

Moved by President Makras, seconded by Commissioner Caen, to remove the historical survey portion of the work and amend the resolution to change the contract amount from \$70,000 to \$35,000; passed (4-0) unanimously.

Resolution No. 98-0023: Authorizing the General Manager of Public Utilities to continue an existing relationship by executing Amendment No. 11 to the agreement with JRP Historical Consulting Services, increasing the contract amount by \$35,000; and extending the term of the contract by one year to December 31, 1998.

Commissioner Normandy excused at 3:07 p.m.

24. Authorizing issuance of a Request for Proposals (RFP) for consultant services to study and minimize pollutants from small quantity dischargers.

Commissioner Cook requested that staff submit a list of citations issued to businesses regarding discharge of pollutants in the City's sewerage system.

Moved by Commissioner Cook, seconded by Commissioner Caen to adopt Item 24, passed (3-0) unanimously.

Resolution No. 98-0020: Authorizing the General Manager of Public Utilities to issue a Request for Proposals (RFP) for consultant services to study and minimize pollutants from small quantity dischargers and requesting the Controller to transfer \$80,000 from "Current Services" to "Professional and Specialized Services" to fund the project.

25. Authorizing issuance of a Request for Proposals (RFP) for inspection, hydraulic study and improvement work for wastewater deep water outfall systems.

Emeric Kalman spoke in support of Item 25. He asked if there would be any hydraulic and design changes to the outfall systems that might arise in the future.

Moved by Commissioner Caen, seconded by Commissioner Cook to adopt Item 25, passed (3-0) unanimously.

Resolution No. 98-0021: Authorizing the Utilities Engineering Bureau to issue a Request for Proposals (RFP) for professional services for inspection, hydraulic study and improvement work for wastewater deep water outfall systems.

26. Authorizing the Utilities Engineering Bureau Manager to execute Amendment No. 6 to the agreement with Westin Engineering Inc.

Moved by Commissioner Cook, seconded by Commissioner Caen to adopt Item 26, passed (3-0) unanimously.

Resolution No. 98-0022: Authorizing the Utilities Engineering Bureau Manager to execute Amendment No. 6 to the agreement with Westin Engineering Inc. extending the term of the contract by 166 calendar days to June 30, 1998 with no increase in cost; and to negotiate Amendment No. 7 for engineering services during construction.

CLOSED SESSION

28. Public Comments on matters to be discussed in Closed Session.

There were no public comments.

29. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Caen to assert the attorney-client privilege, passed (3-0) unanimously.

The Public Utilities Commission met in Closed Session from 3:30 p.m. to 6:55 p.m. to discuss the following matters:

30. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Ric Craig, et.al. vs. CCSF, et.al., San Francisco Superior Court No. 988226.

No action was taken.

31. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Plaintiff
Regarding Muni right of way Parcel 22, 23, and 24,
City of Burlingame

No action was taken.

32. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department
property on Bernal Avenue in Alameda County.
Parties Negotiating: Ambrose/Nelson/Lymburn/Thompson
City of Pleasanton
Under Negotiations: Terms and Conditions

No action was taken.

33. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: 1) Electric Restructuring Hearings before the California
Public Utilities Commission.
2) Electric Restructuring Hearings before the Federal
Energy Regulatory Commission.

No action was taken.

34. Announcement following Closed Session.

President Makras announced the actions taken during the Closed Session.

35. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Caen not to disclose the discussion during the Closed Session; motion passed (3-0) unanimously.

Thereupon, the meeting was adjourned:

6:57 P.M.

Lorna T. Navarro
Acting Secretary

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

Main Public Library
Government Information Center
100 Larkin Street, 5th Floor

SPECIAL MEETING

February 17, 1998
1:00 P.M.
Room 402
1155 Market Street, Fourth Floor

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

1st posted 2/12/98
DOCUMENTS DEPT.

FEB 17 1998

SAN FRANCISCO
PUBLIC LIBRARY

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a. Update on Storm Damage - 5 mins. (Moran)
 - b. California Department of Health Services Study on Trihalomethanes - 5 mins. (Moran)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

REGULAR BUSINESS

9. Requesting the Mayor to recommend to the Board of Supervisors a Supplemental Appropriation reappropriating \$1,000,000 to fund the Pre-Program Phase of Sewer Operations expansion plan. (Carmichael)
10. Authorizing the General Manager of Public Utilities to request the Controller to reallocate \$4,634,488 in the PUC department budgets to reflect the planned use of these funds. (Carmichael)

CONSTRUCTION CONTRACTS

Advertise

11. Approving the final plans and specifications for Utilities Engineering Bureau Contract No. CW-117, Deming/Farnsworth/O'Farrell/Iron/Clayton Sewer Replacement, and authorizing advertisement for proposals. (Cockburn)

Award

12. Awarding Utilities Engineering Bureau Contract No. CW-102, Pacific Avenue Sewer Replacement, in the amount of \$123,045 to JMB Construction Inc. (Cockburn)
13. Awarding Utilities Engineering Bureau Contract No. CW-114, Church/Folsom/Harper Streets Sewer Replacement, in the amount of \$305,010 to Ranger Pipelines, Inc./ A. Answer Inc., JV. (Cockburn)
14. Awarding San Francisco Water Department Contract WD-2219, Pulgas Pump Station Valves in the amount of \$242,000 to E. Mitchell, Inc. (Cockburn)

CLOSED SESSION

15. Public Comments on matters to be discussed in Closed Session.
16. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

17. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Milstein)

Existing Litigation: Ric Craig, et.al. vs. CCSF, et.al., San Francisco Superior Court
No. 988226.

18. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):
(Milstein)

Anticipated Litigation: Regarding Sunol Erosion Claim.

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

19. Announcement following Closed Session.
20. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

February 17, 1998
1:00 P.M.
Room 402
1155 Market Street, Fourth Floor

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DOCUMENTS DEPT.

MAR 16 1998

SAN FRANCISCO
PUBLIC LIBRARY

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

1. Call to Order: 1:09 P.M.
2. Roll Call: Present - President Victor G. Makras, Commissioner Robert K. Werbe, Commissioner Frank L. Cook

Excused - Vice President Ann Moller Caen, Commissioner E. Dennis Normandy

3. Approval of Minutes

There were no minutes submitted.

4. Communications

No action was taken.

5. Introduction of Old/Ongoing Business by Commissioners

No action was taken.

6. Introduction of New Business by Commissioners

There was no new business introduced by Commissioners.

7. Report of the General Manager

- a. Update on Storm Damage

Anson B. Moran, General Manager of Public Utilities, gave a report regarding the storm damage on PUC properties. He stated that the Crystal Springs Reservoir was no longer on 24-hour watch as its water level had stabilized. Staff has continued to monitor the status of the slide at Polhemus Road and installed equipment to keep track of land movement in the area. In the Coral Hollow Road area, several power transmission towers were undermined due to flash flood conditions. Staff is estimating the costs to fix the damage.

Mr. Moran commented that the emergency preparedness plans were effective in mobilizing people to respond to these emergency situations and the level of communication between the operating and support divisions was remarkable.

- b. California Department of Health Services Study on Trihalomethanes and Miscarriages.

Mr. Moran reported that staff met with the City's Department of Public Health concerning a study prepared by the California Department of Health Services which stated that trihalomethanes could cause miscarriages. He stated that he and the Director of the Department of Public Health would be issuing a joint statement regarding this matter. Another meeting was scheduled between the two agencies to focus on the chemical aspect, what is in the water and what the City can do about assessing any health risks.

8. Public Comments

There were none.

REGULAR

- 9. Approving a Supplemental Appropriation of \$1,000,000 for the Sewer Operations expansion plan.

President Makras asked what would be accomplished if \$1 million were to be spent on this project. Tony Flores, Manager of Sewer Operations, responded that the funds requested would address the ongoing concerns of San Francisco residents regarding odor problems, assess the conditions of the sewer systems and help increase the level of service to sewer customers.

President Makras directed staff to present the overall picture of the Sewer Operations expansion plan at the time when the next phase of the project is presented to the Commission.

Moved by Commissioner Cook, seconded by Commissioner Werbe, to adopt Item 9, passed (3-0) unanimously.

Resolution No. 98-0024: Requesting the Mayor to recommend to the Board of Supervisors a Supplemental Appropriation reappropriating \$1,000,000 to fund the Pre-Program Phase of Sewer Operations expansion plan.

10. Requesting the Controller to reallocate \$4,634,488 in the PUC department budgets.

President Makras requested staff to report to the Commission regarding the use of overtime and the existing program for managing its use.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Item 10; passed (3-0) unanimously.

Resolution No. 98-0025: Authorizing the General Manager of Public Utilities to request the Controller to reallocate \$4,634,488 in the PUC department budgets to reflect the planned use of these funds.

CONSTRUCTION CONTRACTS

President Makras recommended taking Items 11, 12 and 13 as consent items.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Items 11, 12 and 13, passed (3-0) unanimously.

11. Resolution No. 98-0026: Approving the final plans and specifications for Utilities Engineering Bureau Contract No. CW-117, Deming/Farnsworth/O'Farrell/Iron/Clayton Sewer Replacement, and authorizing advertisement for proposals.
12. Resolution No. 98-0027: Awarding Utilities Engineering Bureau Contract No. CW-102, Pacific Avenue Sewer Replacement, in the amount of \$123,045 to JMB Construction Inc.
13. Resolution No. 98-0028: Awarding Utilities Engineering Bureau Contract No. CW-114, Church/Folsom/Harper Streets Sewer Replacement, in the amount of \$305,010 to Ranger Pipelines, Inc./ A. Answer Inc., JV.
14. Awarding San Francisco Water Department Contract WD-2219, Pulgas Pump Station Valves in the amount of \$242,000 to E. Mitchell, Inc.

Moved by President Makras, seconded by Commissioner Werbe, to continue Item 14 to the call of the Chair, passed (3-0) unanimously.

CLOSED SESSION

15. Public Comments on matters to be discussed in Closed Session.
16. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Werbe to assert the attorney-client privilege; passed (3-0) unanimously.

The Public Utilities Commission met in Closed Session from 1:45 p.m. to 2:30 p.m. to discuss the following matters:

17. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Ric Craig, et.al. vs. CCSF, et.al., San Francisco Superior Court No. 988226.

No action was taken.

18. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: Regarding Sunol Erosion Claim.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to issue land permits for remedial work; passed (3-0) unanimously.

Resolution No. 98-0029: Authorizing the Manager of the Water Supply & Treatment Division to issue land use permits at no cost on an emergency basis for remedial work by other parties involving the City's property at the Arroyo de la Laguna in the Town of Sunol.

19. Announcement following Closed Session.

Romaine A. Boldridge, Commission Secretary, announced the actions taken during the Closed Session.

20. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Werbe, not to disclose the discussion during the Closed Session; motion passed (3-0) unanimously.

Thereupon, the meeting was adjourned: 2:31 P.M.

Romaine A. Boldridge
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

February 24, 1998
1:00 P.M.
Room 402
1155 Market Street, Fourth Floor

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DOCUMENTS DEPT

FEB 23 1998

SAN FRANCISCO
PUBLIC LIBRARY

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications ,
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a. Storm Damage (Moran)
 - b. Communications Plan Update - 10 mins. (Dayonot)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

REGULAR BUSINESS

9. To consider joining with a strategic partner to pursue power business opportunities presented by electric utility deregulation. (Klein)
10. Adopting the proposed 1998-99 PUC Capital Improvement Program for Hetch Hetchy Water and Power, Water, and Clean Water enterprises. (Cockburn)
11. Discussion of a policy proposed by the Residential Users Appeal Board (RUAB) concerning the up sizing of service piping and meters. (Mullane)
12. Authorizing the Southeast Community Facility Commission to make administrative decisions concerning the operation and management of the Southeast Community Center Facility. (Moran)

LEASES AND PERMITS

13. Authorizing the General Manager of Public Utilities to execute a Consent to Assignment, Consent to a leasehold Deed of Trust, Lessor Consent and Estoppel and an Amendment to the Lease in connection with Larvan Properties' assignment of its SFPUC Parking and Landscaping lease to Menlo Equities Associates LLC, Assignee, relating to .346 acres of Public Utilities Commission land located on a portion of Parcel 144 of Bay Division Pipe Line Nos. 3 and 4 right of way in Santa Clara, California. (Dowd)

CONSTRUCTION CONTRACTS

Award

14. Awarding Utilities Engineering Bureau Contract No. CW-104, California Street/24th Avenue Sewer Replacement, in the amount of \$157,450 to the lowest bidder, Harty Pipelines, Inc. (Cockburn)

CLOSED SESSION

15. Public Comments on matters to be discussed in Closed Session.
16. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

17. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Milstein)

Existing Litigation: Ric Craig, et.al. vs. CCSF, et.al., San Francisco Superior Court No. 988226.
18. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Milstein/Laws)

Existing Litigation: Regarding the Bay Area Water Users Association arbitration claim.
19. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):
(Milstein)

Existing Litigation: Hefter vs. CCSF
Alameda County Superior Court No. 786568
20. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Camacho/Donlin)

Existing Litigation: Claimant: California State Automobile Association, subrogee of Dennis Ming, Claim No. 96W6050.

21. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Berliner)

- Existing Litigation:
- 1) Electric Restructuring Hearings before the California Public Utilities Commission.
 - 2) Electric Restructuring Hearings before the Federal Energy Regulatory Commission.

22. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant

Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.

Parties Negotiating: Ambrose/Nelson/Lymburn/Thompson
City of Pleasanton

Under Negotiations: Terms and Conditions

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

23. Announcement following Closed Session.

24. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

February 24, 1998
1:00 P.M.
Room 402
1155 Market Street, Fourth Floor

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DOCUMENTS DEPT.

MAR 31 1998

SAN FRANCISCO
PUBLIC LIBRARY

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

1. Call to Order: 1:10 P.M.
2. Roll Call: Present - President Victor G. Makras, Vice President Ann Moller Caen, Commissioner E. Dennis Normandy, Commissioner Robert K. Werbe, Commissioner Frank L. Cook
3. Approval of Minutes

Moved by Commissioner Cook, seconded by Commissioner Normandy, to approve the Minutes of the Regular Meeting of January 27, 1998; passed (5-0) unanimously.
4. Communications

No action was taken.
5. Introduction of Old/Ongoing Business by Commissioners

No action was taken.
6. Introduction of New Business by Commissioners

There was no new business introduced by Commissioners.
7. Report of the General Manager
 - a. Storm Damage

Anson B. Moran, General Manager of Public Utilities, reported that staff had resolved the turbidity issue at the Harry Tracy Water Treatment Plant and the concerns about the overflow into San Mateo Creek. Mr. Moran reported that staff is currently dealing with stabilizing a section of the Crystal Springs Bypass Pipeline under Polhemus Drive that was buried under a mudslide. He showed maps of the Crystal Springs Bypass and the water distribution system in the Peninsula. He said staff was working with San Mateo County in determining the appropriate action to stabilize the area.
 - b. Communications Plan Update

Mr. Moran suggested continuing staff's report regarding the Communications Plan due to time constraint. Commissioner Normandy reported on the Mayor's Cultural and Trade Mission trip to Manila wherein three PUC Commissioners

went. He noted that the trip was substantive. He stated that the Mayors of San Francisco and the City of Manila signed a Memorandum of Understanding to share technological resources. Tim Dayonot distributed copies to the Commissioners of the brochure that was given out during the trip. The brochure contained information about services that PUC could provide at a fee.

c. Other Reports

Mr. Moran reported that PUC was awarded with the "1997 Infrastructure Award" by the American City & County Magazine. Michelle Pla stated that the award was given to PUC for completing the construction of a major public works infrastructure project, which was the wastewater treatment facility, and for complying with all the regulatory permit requirements.

Mr. Moran announced the appointment of Carolyn Olsen as the Assistant General Manager for Operations. Ms. Olsen will start on March 9, 1998.

Mr. Moran reported that he attended a public meeting initiated by the Mayor's Office on how the City government is doing. The meeting was held at the Southeast Community Center facility. PUC issues that were raised during the meeting were flooding, mosquitoes, odors, and street lighting. The public expressed interests in expanding the pre apprenticeship program, building a crosstown tunnel and public acquisition of PG&E's power plants in the City.

8. Public comments on matters that were not on today's agenda.

There were none.

REGULAR

9. To consider joining with a strategic partner to pursue power business opportunities presented by electric utility deregulation.

Lawrence T. Klein, General Manager of Hetch Hetchy Water & Power, gave a presentation using electronic media regarding various business opportunities brought about by electric utility deregulation. He presented staff's recommendations which include buying the Hunters Point and Potrero power plants, exploring community aggregation, and obtaining strategic partners. He discussed the risks and barriers for municipalities getting into a competitive market and how strategic partners could be utilized to mitigate the risks to the City. The strategic partners would develop a business plan, develop and negotiate bids for power plants, raise capital, and provide technical assistance to staff.

The following individuals commented in favor of buying the Hunters Point and Potrero power plants: Catherine Mahanpour, Golden Gate University Environmental Law & Justice Clinic representing the Southeast Alliance for Environmental Justice; Alex Lantsberg, representing the Southeast Alliance for Environmental Justice; and Ena Aguirre, a resident of Bayview Hunters Point. Mr. Doug Boccignone, Director of Marketing for Electric Clearing House, commented in support of joining a strategic partner. Julia Peters, representing the American Local Power Project, commented in favor of exploring community aggregation.

Savannah Blackwell of the Bay Guardian, spoke about a comment made by Senator Steve Peace during a forum regarding electric deregulation that Assembly Bill 1890 was not intended to increase the competition in California for energy services but to keep big industrial consumers from leaving the grid.

Lisa Gallina announced that the Board of Supervisors would address this matter on March 4, 1998 and the California Public Utilities Commission would hold a public meeting in Hunters Point on March 10, 1998.

In response to Commissioner Werbe's question regarding the rationale for buying obsolete power plants, Mr. Klein stated that if the City buys the plants, we would own the air quality emission from the plants, own the power market at that time, and could prevent other companies from building another power plant so that we could later build a more efficient plant that would achieve the most economic benefit for the City and provide less environmental effect to the community.

President Makras stated that he was opposed to staff's recommendation as he did not see the economic advantage of the recommendations and he did not want to put the City's treasury at risk. He opposed entering into a partnership to buy these two power plants as they are old and environmentally unsafe. He stated that he would like to maintain the distribution system as it would provide a revenue stream without investing \$400 million.

Commissioner Normandy stated that he was in favor of the resolution so that staff could obtain more concrete facts and the strategic partner could develop a business plan to find out whether buying these power plants would be a smart decision to pursue. He stated that he himself did not want to put the City's money at risk. He added that staff had taken a position that purchasing the plants has benefits and that comments from the speakers indicated support in purchasing the power plants.

Commissioner Werbe stated that he was opposed to staff's recommendation as it is not PUC's business to buy or build power plants. He suggested waiting for other agencies to provide PUC with additional information.

Commissioner Cook expressed support of the resolution. He stated that the resolution would allow staff to explore additional facts that the Commission could use in making its decision.

Commissioner Caen expressed her concern about environmental issues raised by the speakers. She stated that she would like to get input from the public as to their perception of staff's recommendation.

Moved by Commissioner Makras, seconded by Commissioner Caen to reject staff's proposal to pursue a Strategic Partner; passed (3-2). Commissioners Makras, Caen and Werbe voted aye, Commissioners Normandy and Cook voted no.

Resolution No. 98-0030: Rejecting staff's recommendation to pursue a Strategic Partner for the purpose of purchasing PG&E Hunters Point and Potrero power plants and providing aggregation services.

10. Adopting the 1998-99 PUC Capital Improvement Program.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 10; passed (5-0) unanimously.

Resolution No. 98-0031: Adopting the proposed 1998-99 PUC Capital Improvement Program for Hetch Hetchy Water and Power, Water, and Clean Water enterprises.

11. Discussion of a policy proposed by the Residential User Appeals Board (RUAB) concerning the up sizing of service piping and meters.

John P. Mullane, Manager of Customer Service Bureau, reported that the Residential User Appeals Board (RUAB) recommended upsizing of service piping and meters at the time of meter replacement or service renewal. A member of the Board claimed that existing meters were not the appropriate size and not recording the full amount of water used and therefore the City was losing revenues on water and sewer use.

Mr. Mullane recommended initiating a pilot program within a six to eight-month period to determine whether a policy of upsizing service piping and meters should be implemented.

Nathan Rather commented in support of staff's recommendation.

Moved by Commissioner Caen, seconded by Commissioner Normandy, to direct staff to develop a pilot program within a six to eight-month period to demonstrate the effectiveness of the project and report to the Commission about staff's findings; passed (5-0) unanimously.

Resolution No. 98-0032: Directing staff to proceed with a pilot program within six to eight months and report their findings to the Commission.

12. Authorizing the Southeast Community Facility Commission to make administrative decisions concerning the operation and management of the Southeast Community Center Facility.

Moved by Commissioner Makras, seconded by Commissioner Werbe, to continue Item 12 to the call of the Chair; passed (5-0) unanimously.

LEASES AND PERMITS

13. Authorizing the Larvan Properties' assignment of its SFPUC Parking and Landscaping lease to MELP, VII, L.P., relating to .346 acres of Public Utilities Commission land on a portion of Parcel 144 of Bay Division Pipe Line Nos. 3 and 4 right of way in Santa Clara, California.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Item 13; passed (5-0) unanimously.

Resolution No. 98-0033: Authorizing the General Manager of Public Utilities to execute a Consent to Assignment, Consent to a leasehold Deed of Trust, Lessor Consent and Estoppel and an Amendment to the Lease in connection with Larvan Properties' assignment of its SFPUC Parking and Landscaping lease to MELP VII, L.P., Assignee, relating to .346 acres of Public Utilities Commission land located on a portion of Parcel 144 of Bay Division Pipe Line Nos. 3 and 4 right of way in Santa Clara, California.

CONSTRUCTION CONTRACTS

14. Awarding Utilities Engineering Bureau Contract No. CW-104.

Moved by Commissioner Werbe, seconded by Commissioner Caen, to adopt Item 14; passed (5-0) unanimously.

Resolution No. 98-0034: Awarding Utilities Engineering Bureau Contract No. CW-104, California Street/24th Avenue Sewer Replacement, in the amount of \$157,450 to the lowest bidder, Harty Pipelines, Inc.

CLOSED SESSION

15. Public Comments on matters to be discussed in Closed Session.

There were none.

16. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to assert the attorney-client privilege; passed (5-0) unanimously.

The Public Utilities Commission met in Closed Session from 3:17 p.m. to 5:10 p.m. to discuss the following matters:

17. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Ric Craig, et.al. vs. CCSF, et.al., San Francisco Superior Court No. 988226.

No action taken.

18. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Regarding the Bay Area Water Users Association arbitration claim.

No action taken.

19. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Existing Litigation: Hefter vs. CCSF
Alameda County Superior Court No. 786568

No action taken.

20. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Claimant: California State Automobile Association, subrogee of Dennis Ming, Claim No. 96W6050.

Moved by Commissioner Cook, seconded by Commissioner Werbe, to approve a settlement for Item 20; passed (5-0) unanimously.

Resolution No. 98-0035: Recommending to the Board of Supervisors a settlement in the claim of California State Automobile Association, subrogee of Dennis Ming, Claim No. 96W6050.

21. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: 1) Electric Restructuring Hearings before the California Public Utilities Commission.
2) Electric Restructuring Hearings before the Federal Energy Regulatory Commission.

No action was taken.

22. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating: Ambrose/Nelson/Lymburn/Thompson
City of Pleasanton
Under Negotiations: Terms and Conditions

No action was taken.

Commissioner Caen was excused at 5:00 p.m.

The Public Utilities Commission reconvened in an open session.

23. Announcement following Closed Session.

President Makras announced the actions taken during the Closed Session.

24. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Normandy, not to disclose the discussion during the Closed Session; passed (4-0) unanimously.

Thereupon, the meeting was adjourned: 5:12 P.M.

Romaine A. Boldridge
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

**Willie L. Brown, Jr.
MAYOR**

SPECIAL MEETING

**March 4, 1998
6:00 P.M.
Room 402**

1155 Market Street, Fourth Floor

COMMISSIONERS

**Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook**

DOCUMENTS DEPT.

MAR 04 1998

SAN FRANCISCO
PUBLIC LIBRARY

DEPARTMENTS

**Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program**

BUREAUS

**Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality**

**Anson B. Moran
GENERAL MANAGER**

**Romaine A. Boldridge
SECRETARY**

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call

CLOSED SESSION

3. Public Comments on matters to be discussed in Closed Session.
4. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

5. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating: Ambrose/Nelson/Lymburn/Thompson
City of Pleasanton
Under Negotiations: Terms and Conditions

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

6. Announcement following Closed Session.
7. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

MINUTES

PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

March 4, 1998
6:00 P.M.
Room 402
1155 Market Street, Fourth Floor

DOCUMENTS DEPT
MAR 31 1998
SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

1. Call to Order: 6:02 P.M.
2. Roll Call: Present - President Victor G. Makras, Vice President Ann Moller Caen, Commissioner E. Dennis Normandy, Commissioner Frank L. Cook

Excused - Commissioner Robert K. Werbe

CLOSED SESSION

3. Public Comments on matters to be discussed in Closed Session.

There were none.
4. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to assert the attorney-client privilege; passed (4-0) unanimously.

The Public Utilities Commission met in Closed Session from 6:04 p.m. to 7:12 p.m. to discuss the following matters:

5. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating: Ambrose/Nelson/Lymburn/Thompson
City of Pleasanton
Under Negotiations: Terms and Conditions

No action was taken.

Commissioner Caen was excused at 6:40 p.m..

The Public Utilities Commission reconvened in an open session.

6. Announcement following Closed Session.

Romaine A. Boldridge, Commission Secretary, announced that no actions were taken during the Closed Session.

7. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Normandy, not to disclose the discussion during the Closed Session; passed (3-0) unanimously.

Thereupon, the meeting was adjourned: 7:14 P.M.

Romaine A. Boldridge
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

Main Public Library
Government Information Center
100 Larkin Street, 5th Floor

REGULAR MEETING

March 10, 1998

1:00 P.M.

Room 402

1155 Market Street, Fourth Floor

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DOCUMENTS DEPT.

MAR 06 1998

SAN FRANCISCO
PUBLIC LIBRARY

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a. Polhemus Road/Crystal Springs Bypass Pipeline Update. (Moran)
 - b. Communications Plan Update - 8 mins. (Dayonot)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

REGULAR BUSINESS

9. Confirming the Declaration of Emergency made by the President of the Public Utilities Commission, at the 96-inch Crystal Springs Bypass Pipeline at Polhemus Road, San Mateo County; and requesting the Board of Supervisors to approve the expenditure of funds in the amount of \$3,100,000 for repair work; and authorizing the transfer of funds from "Crystal Springs Pipeline No. 1 Replacement Project" to "Prestressed Concrete Pipe Replacement Project."

CONSTRUCTION CONTRACTS

Advertise

10. Approving the final plans and specifications for San Francisco Water Department Contract No. WD-2239, Town of Sunol Emergency Water Tanks, and authorizing advertisement for bids. (Cockburn)
11. Approving the final plans and specifications for San Francisco Water Department Contract No. WD-2250, Sunol Plant Equipment Anchorage and Chemical Handling, and authorizing advertisement for bids. (Cockburn)
12. Approving the final plans and specifications for San Francisco Water Department Contract No. WD-2255, Sunol Valley Water Treatment Plant Filter Console Modification, and authorizing advertisement for bids. (Cockburn)
13. Approving the final plans and specifications for Utilities Engineering Bureau Contract Specification No. CW-120, Illinois/Cesar Chavez Street Sewer Replacement, and authorizing advertisement for bids. (Cockburn)

Award

14. Awarding Utilities Engineering Bureau Contract No. CW-101, Post Street Sewer Replacement, in the amount of \$154,000 to the lowest bidder, K. J. Woods Construction, Inc. (Cockburn)

PROFESSIONAL SERVICE CONTRACTS

Amend

15. Authorizing the General Manager of Public Utilities to continue an existing relationship with Trihey & Associates, by increasing the contract funding by \$236,000 for a contract total not to exceed \$823,000; and extending the contract term to March 31, 1999. (Klein)

CLOSED SESSION

16. Public Comments on matters to be discussed in Closed Session.
17. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

18. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Norman)

Existing Litigation: Kajima Engineering Construction, Inc. v. CCSF, San Francisco
Superior Court No. 990-898.

19. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property:	Portion of Parcel 65 in Sunol, Alameda County
Parties Negotiating:	Dowd/Sullivan/Milstein
Lessee:	Mission Valley Rock
Under Negotiation:	Price and Terms

20. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Milstein)

Existing Litigation: Hefter v. CCSF
Alameda County Superior Court No.786568

21. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Milstein/Laws)

Existing Litigation: Regarding the Bay Area Water Users Association Arbitration
Claim.

22. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c)
and Conference with Real Property Negotiator - Pursuant to Government Code Section
54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on
Bernal Avenue in Alameda County.

Parties Negotiating: Ambrose/Nelson/Lyburn/Thompson
City of Pleasanton

Under Negotiations: Terms and Conditions

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

23. Announcement following Closed Session.

24. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

DOCUMENTS DEPT

APR 14 1998

SAN FRANCISCO
PUBLIC LIBRARY

REGULAR MEETING

March 10, 1998
1:00 P.M.
Room 402
1155 Market Street, Fourth Floor

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

1. Call to Order: 1:05 P.M.
2. Roll Call: Present - President Victor G. Makras, Vice President Ann Moller Caen, Commissioner E. Dennis Normandy, Commissioner Frank L. Cook

Commissioner Robert K. Werbe arrived at 1:35 p.m.

3. Approval of Minutes

Moved by Commissioner Caen, seconded by Commissioner Cook, to approve the Minutes of the Special Meeting of February 17, 1998; passed (4-0) unanimously.

4. Communications

Commissioner Normandy requested a copy of staff's response to Senator Quentin Kopp's letter dated January 10, 1998.

5. Introduction of Old/Ongoing Business by Commissioners

Commissioner Normandy requested staff to give a presentation to the Commission regarding community aggregation at the next PUC meeting.

6. Introduction of New Business by Commissioners

There was no new business introduced by Commissioners.

7. Report of the General Manager

Anson B. Moran, General Manager of Public Utilities, introduced Ms. Carolyn Olsen, who was appointed as the Assistant General Manager for Operations and Ms. Dorothy Bowman who was appointed as the new Director of the Bureau of Personnel & Training.

- a. Polhemus Road/Crystal Springs Bypass Pipeline Update.

Robert T. Cockburn, Manager of the Utilities Engineering Bureau, showed maps and photos of Polhemus Drive in San Mateo County where a portion of the Crystal Springs Bypass pipeline was buried under a mudslide. Mr.

Cockburn reported that staff would procure materials to stabilize the slide and divert water runoff to prevent the slide from moving the pipe. Staff would initiate a contract to repair the pipeline.

b. Communications Plan Update

Mr. Timothy Dayonot, Manager of Government & Public Affairs, reported that the Community for Better Environment held a press conference on February 25, 1998 outside the PUC office to voice their concerns regarding discharges of bacteria and other toxic materials in the bay. Mr. Dayonot stated that representatives of the organization presented sacks of cards from concerned citizens expressing their views regarding the environmental conditions in the Bay. Mr. Dayonot and Michelle Pla of the Clean Water Program were interviewed by the news media on this issue.

Note: Commissioner Werbe arrived during the discussion of this item.

Mr. Dayonot gave a report using electronic slides regarding the status of the Coordinated Comprehensive Communications Program. Mr. Dayonot discussed the projects that were completed or scheduled to be completed in fiscal year 1997-98. He noted that the projects were initiated with no additional funds or additional staff. He distributed a copy of the PUC annual report for fiscal year 1996-97 to the Commission.

Commissioner Normandy directed staff to return to the Commission with a recommendation on how additional staff could be provided to support the expanding communications program.

Art Jensen, General Manager of the Bay Area Water Users Association, asked about the source of funding for the communications program. He urged staff to include the suburban customers when preparing informational materials on issues that affect suburban customers. He said they would be glad to participate in funding informational projects if BAWUA could benefit from them.

c. Reschedule April 14th meeting to April 7, 1998.

The Commission agreed to cancel the April 14th meeting due to the "Mayor's Summit for Women" scheduled on the same day. A special meeting of the PUC would be held on April 7, 1998 at 1:00 p.m..

8. Public comments on matters that were not on today's agenda.

Sheila Barry, Watershed Management Specialist with the Alameda County Resource Conservation District, gave an update on the progress of providing watershed protection for the Alameda watershed. She reported that lessees adhered to the guidelines for cattle grazing in the past grazing season and were willing to assist in putting additional fencing to control livestock's access to source water. She stated that the Alameda County Resource Conservation District had been conducting courses for landowners regarding water quality planning, watershed management, and road maintenance practices.

Patricia Stillman one of the Chairs of the Sunol/SFPUC Working Group announced that the working group was planning to hold a fund-raising event on Saturday, April 25, 1998 to help fund the restoration of the Sunol Water Temple.

REGULAR

9. Confirming the Declaration of Emergency at Polhemus Road, San Mateo County; and requesting approval of expenditure of funds for repair work.

Moved by Commissioner Werbe, seconded by Commissioner Normandy to adopt Item 9; passed (5-0) unanimously.

Resolution No. 98-0036: Confirming the Declaration of Emergency made by the President of the Public Utilities Commission, at the 96-inch Crystal Springs Bypass Pipeline at Polhemus Road, San Mateo County; and requesting the Board of Supervisors to approve the expenditure of funds in the amount of \$3,100,000 for repair work; and authorizing the transfer of funds from "Crystal Springs Pipeline No. 1 Replacement Project" to "Prestressed Concrete Pipe Replacement Project."

CONSTRUCTION CONTRACTS

10. Authorizing advertisement for bids for San Francisco Water Department Contract No. WD-2239.

Moved by Commissioner Werbe, seconded by Commissioner Caen to adopt Item 10; passed (5-0) unanimously.

Resolution No. 98-0037: Approving the final plans and specifications for San Francisco Water Department Contract No. WD-2239, Town of Sunol Emergency Water Tanks, and authorizing advertisement for bids.

11. Approving the final plans and specifications for San Francisco Water Department Contract No. WD-2250, Sunol Plant Equipment Anchorage and Chemical Handling, and authorizing advertisement for bids.

President Makras requested staff to submit a breakdown of the estimated cost of the contract as he would like to see how much was intended to improve the operational reliability of the Sunol Valley Water Treatment Plant and how much was needed to comply with accessibility code provisions.

Moved by Commissioner Makras, seconded by Commissioner Normandy to continue Item 11 to the call of the Chair; passed (5-0) unanimously.

12. Approving the final plans and specifications for San Francisco Water Department Contract No. WD-2255, Sunol Valley Water Treatment Plant Filter Console Modification, and authorizing advertisement for bids.

Commissioner Caen asked why the subcontracting goals for the project were so low. Robert T. Cockburn, Manager of the Utilities Engineering Bureau, responded that a large portion of the contract was for procurement of materials and procuring materials is not subject to MBE/WBE regulation.

President Makras stated that he wanted to increase the MBE/WBE subcontracting goals. He requested that staff justify the recommendation for 7.44% MBE and 2.84% WBE participation, explain why the goals cannot be increased and why increasing the participation would jeopardize the project.

Moved by Commissioner Makras, seconded by Commissioner Normandy to continue Item 12 to the call of the Chair; passed (5-0) unanimously.

13. Authorizing advertisement for bids for Utilities Engineering Bureau Contract Specification No. CW-120.

Moved by Commissioner Normandy, seconded by Commissioner Cook to adopt Item 13; passed (5-0) unanimously.

Resolution No. 98-0038: Approving the final plans and specifications for Utilities Engineering Bureau Contract Specification No. CW-120, Illinois/Cesar Chavez Street Sewer Replacement, and authorizing advertisement for bids.

14. Awarding Utilities Engineering Bureau Contract No. CW-101, Post Street Sewer Replacement.

Moved by Commissioner Normandy, seconded by Commissioner Caen to adopt Item 14; passed (5-0) unanimously.

Resolution No. 98-0039: Awarding Utilities Engineering Bureau Contract No. CW-101, Post Street Sewer Replacement, in the amount of \$154,000 to the lowest bidder, K. J. Woods Construction, Inc.

PROFESSIONAL SERVICE CONTRACTS

15. Authorizing the General Manager of Public Utilities to continue an existing relationship with Trihey & Associates.

Commissioner Caen suggested putting the contract out for bidding. Thomas Berliner, Utilities General Counsel, stated that the City is in the midst of starting hearings before the State Water Resources Control Board where Trihey & Associates will provide direct testimony for the City to defend the City's water rights. The hearings are scheduled to start in July, 1998 with workshops starting in April. He said there would be a substantial loss of time if the City were to hire another contractor.

President Makras moved to renew Trihey's contract for a term of 90 days for the limited purpose of testifying in the Bay Delta hearings and concluding their work. He said he would like staff to adhere to the bid process for any future research or projects. Commissioner Werbe seconded. Mr. Berliner requested an extension of five months.

Art Jensen expressed concerns that a change on who is going to represent the PUC at the hearings would minimize the City's effectiveness in the negotiations. He expressed concerns about the ability of another contractor to provide comparable beneficial work.

Moved by Commissioner Makras, seconded by Commissioner Werbe to adopt Item 13 as amended; passed (5-0) unanimously.

Resolution No. 98-0040: Authorizing the General Manager of Public Utilities to continue an existing relationship with Trihey & Associates, by increasing the contract funding by \$98,333 for a contract total not to exceed \$685,333; and extending the contract term to August 31, 1998.

CLOSED SESSION

16. Public Comments on matters to be discussed in Closed Session.

Pat Stillman, representing Save our Sunol, inquired about the appropriate time to discuss Surface Mining Permit (SMP) 32 and when answers to Save our Sunol's questions would be forth coming. President Makras stated that the Commission did not have an action item calendared today. He suggested that she could comment before the body conducting the EIR and also when the PUC has an action item calendared. Mr. Moran said that the EIR for the Sunol Valley includes SMP 32 and other mining sites. However, SMP 32 is unusual in that it has a completed EIR which was done by Alameda County and has been reaffirmed on a couple of occasions, giving it a different legal status than the rest of the plan.

Art Jensen commented that he hoped to obtain positive action by the Commission on Item 32.

17. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to assert the attorney-client privilege; passed (5-0) unanimously.

Note: Commissioner Normandy was excused at 2:25 p.m.

The Public Utilities Commission met in Closed Session from 2:25 p.m. to 5:10 p.m. to discuss the following matters:

18. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Kajima Engineering Construction, Inc. v. CCSF, San Francisco Superior Court No. 990-898.

Moved by Commissioner Werbe, seconded by Commissioner Cook to approve a settlement for Item 18; passed (4-0) unanimously.

Resolution No. 98-0041: Approving a settlement in the case of Kajima Engineering Construction, Inc. v. CCSF, San Francisco Superior Court No. 990-898.

19. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Portion of Parcel 65 in Sunol, Alameda County
Parties Negotiating: Dowd/Sullivan/Milstein
Lessee: Mission Valley Rock
Under Negotiation: Price and Terms

No action taken.

20. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Hefter v. CCSF
Alameda County Superior Court No.786568

No action taken.

21. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Regarding the Bay Area Water Users Association Arbitration Claim.

Move by Commissioner Caen, seconded by Commissioner Werbe, to approve the second tolling agreement; passed 4-0 unanimously.

Resolution No. 98-0042: Approving a second tolling agreement between the City and the Suburban Purchasers extending the period for filing a demand for arbitration for matters related to 1993-94 and 1994-1995 fiscal years from March 31, 1998 to June 30, 1998.

22. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating: Ambrose/Nelson/Lymburn/Thompson
City of Pleasanton
Under Negotiations: Terms and Conditions

No action was taken.

The Public Utilities Commission reconvened in an open session.

23. Announcement following Closed Session.

Romaine A. Boldridge, Commission Secretary, announced the actions taken during the Closed Session.

24. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Werbe, not to disclose the discussion during the Closed Session; passed (4-0) unanimously.

Thereupon, the meeting was adjourned: 5:12 P.M.

Romaine A. Boldridge
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

March 24, 1998
1:00 P.M.
Room 402
1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

MAR 20 1998

SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a. Crystal Springs Treatment - 10 mins. (De Graca)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

REGULAR BUSINESS

9. Authorizing the use of Oakland Museum Conservation Center to perform conservation services in connection with the rehabilitation of the Sunol Water Temple and Grounds. (Cockburn)
10. Authorizing the Manager of the Bureau of Environmental Regulation and Management to issue a Request for Qualifications to create a pool of qualified environmental consulting firms to provide environmental assessments for PUC capital improvement projects. (Medbery)
11. Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission for Utilities Engineering Bureau Contract No. 1506N, Leavenworth Street Emergency Sewer Replacement, and requesting the Board of Supervisors to approve the expenditure of funds for emergency work. (Cockburn)

LEASES AND PERMITS

12. Authorizing the General Manager of Public Utilities to request the Director of Property to prepare and submit the necessary legislation to the Board of Supervisors to accommodate the jurisdictional transfer of the two parcels of land owned by PUC totaling .34 acres, located at Cesar Chavez Boulevard between Pennsylvania and Indiana Streets, to the Public Transportation Commission. (Dowd)
13. Declaring the Niles Reservoir and Niles Cottage in Fremont, California as surplus properties and authorizing the General Manager of Public Utilities to request the Director of Property to determine the fair market value of the properties, advertise them for sale, hold a public auction, and prepare and submit legislation to the Board of Supervisors to accommodate the sale. (Dowd)
14. Declaring a portion of Parcel 30 in San Mateo County (aka the Silva Tract) surplus property and authorizing the General Manager of Public Utilities to request the Director of Property to determine the fair market value of the property, advertise it for sale, hold a public auction, and prepare and submit legislation to the Board of Supervisors to accommodate the sale. (Dowd)

15. Declaring the Oakdale Maintenance Yard, including a single family residence, office building and other miscellaneous structures located in the City of Oakdale, Stanislaus County as surplus property; and authorizing the General Manager of Public Utilities to request the Director of Property to advertise the property for sale, hold a public auction, and prepare and submit legislation to the Board of Supervisors to accommodate the sale. (Dowd)
16. Authorizing the General Manager of Public Utilities to execute a permit with Metropolitan Fiber Systems of California, Inc., dba Metropolitan Fiber Systems of San Jose, to install one telecommunications conduit within a portion of Parcel 123A of Bay Division Pipeline Nos. 3 and 4 right of way located in San Jose, Santa Clara County at an annual use fee of \$1,920. (Dowd)
17. Authorizing the General Manager of Public Utilities to execute a permit with Brooks Fiber Communications of San Jose, to install, maintain use and repair two telecommunications conduits within a portion of Parcels 156A and 159 of Bay Division Pipeline Nos. 3 and 4 right of way, located in Sunnyvale, Santa Clara County at an annual use fee of \$15,360. (Dowd)
18. Authorizing the General Manager of Public Utilities to execute a permit with Nextlink California, L.L.C., to install, maintain, use and repair one telecommunications conduit within a portion of Parcel 1215 of Bay Division Pipeline Nos. 1 and 2 right of way, located in Fremont, Alameda County at an annual use fee of \$4,320. (Dowd)
19. Authorizing the General Manager of Public Utilities to execute a permit with Nextlink California, L.L.C., to install, maintain, use and repair one telecommunications conduit within a portion of Parcel 111C of Bay Division Pipeline Nos. 3 and right of way, located in Milpitas, Santa Clara County at an annual use fee of \$7,296. (Dowd)
20. Authorizing the General Manager of Public Utilities to execute a permit with Nextlink California, L.L.C., to install, maintain, use and repair one telecommunications conduit within a portion of Parcel 1524(1) of the Newark/San Lorenzo Easement right of way, located in Newark, Alameda County at an annual use fee of \$4,800. (Dowd)

CONSTRUCTION CONTRACTS

Advertise

21. Approving the final plans and specifications for San Francisco Water Department Contract No. WD-2250, Sunol Plant Equipment Anchorage and Chemical Handling, and authorizing advertisement for bids. (Continued from the meeting of March 10, 1998). (Cockburn)
22. Approving the final plans and specifications for San Francisco Water Department Contract No. WD-2255, Sunol Valley Water Treatment Plant Filter Console Modification, and authorizing advertisement for bids. (Continued from the meeting of March 10, 1998). (Cockburn)
23. Approving the final plans and specifications for San Francisco Water Department Contract No. CW-158, Southeast Water Pollution Control Plant Buildings Roofing Project; and authorizing advertisement for proposals. (Cockburn)
24. Approving the final plans and specifications for San Francisco Water Department Contract WD-2243, Cleaning Sunset Reservoir - South Basin; and authorizing advertisement for proposals. (Cockburn)

Award

25. Awarding San Francisco Water Department Contract No. WD-2219, Pulgas Pump Station Valves in the amount of \$227,000 to Schram Construction, Inc. (Cockburn)
26. Awarding the Utilities Engineering Bureau Contract No. CW-126, Hunters Point Pump Station Demolition, in the amount of \$195,900 to Covey Trucking Company. (Cockburn)
27. Awarding the Utilities Engineering Bureau Contract No. CW-108, 10th Avenue Sewer Replacement, in the amount of \$239, 150 to Harty Pipelines, Inc. (Cockburn)

28. Awarding the Utilities Engineering Bureau Contract No. CW-109, Shotwell/Moultrie/26 Streets Sewer Replacement in the amount of \$219,850 to Ranger Pipelines/A. Answer JV. (Cockburn)
29. Awarding PUC Contract No. CW-139, Channel Pump Station Variable Speed Control Improvement, in the amount of \$726,000 to Millard Tong Construction Co., Inc. (Cockburn)

Close

30. Accepting the work performed under San Francisco Water Department Contract WD-2064R, Installation of 36-Inch Steel Main in Dolores Street, 25th Street, Sanchez Street, and 22nd Street, extending time for completion; approving contract modifications no. 4 and 5; requesting the Board of Supervisors to approve expenditures for contract exceeding the original contract amount; and authorizing final payment in the amount of \$335,932. (Cockburn)

CLOSED SESSION

31. Public Comments on matters to be discussed in Closed Session.
32. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

33. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property:	Portion of Parcel 65 in Sunol, Alameda County
Parties Negotiating:	Dowd/Sullivan/Milstein
Lessee:	Mission Valley Rock
Under Negotiation:	Price and Terms

34. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Muni right of way, South San Francisco
Parties Negotiating: CCSF - Dowd/Sullivan
Lessee: Bay Area Rapid Transit District
Under Negotiation: Terms and Conditions

35. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Bay Bridge Pump Station
Parties Negotiating: CCSF - Dowd/Sullivan
Contracting Agency: CalTrans
Under Negotiation: Terms and Conditions

36. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: California Book Site, 11 Phelan Avenue, San Francisco
Portion of Assessor's Block No. 3180
Parties Negotiating: Dowd
Lessee: Undetermined
Under Negotiation: Price and Terms

37. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating: Ambrose/Nelson/Lymburn/Thompson
City of Pleasanton
Under Negotiations: Terms and Conditions

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

38. Announcement following Closed Session.
39. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

March 24, 1998
1:00 P.M.
Room 402
1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

MAY 05 1998

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

SAN FRANCISCO
PUBLIC LIBRARY

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

1. Call to Order: 1:02 P.M.
2. Roll Call: Present - President Victor G. Makras, Vice President Ann Moller Caen, Commissioner Robert K. Werbe, Commissioner Frank L. Cook

Excused - Commissioner E. Dennis Normandy
3. Approval of Minutes

Moved by Commissioner Caen, seconded by Commissioner Cook, to approve the Minutes of the Regular Meeting of February 24, 1998 and the Minutes of the Special Meeting of March 4, 1998; passed (4-0) unanimously.
4. Communications

No action was taken.
5. Introduction of Old/Ongoing Business by Commissioners

No action was taken.
6. Introduction of New Business by Commissioners

President Makras directed staff to return to the Commission within the next month with a recommendation on how the Commission could be informed of personnel actions whether promotion or disciplinary. He expressed concerns about employees being treated unfairly. Commissioner Cook commented that performance evaluation is a great tool for promoting employees.
7. Report of the General Manager
 - a. Crystal Springs Treatment

Andrew De Graca, Manager, Bureau of Water Quality, gave a presentation, using electronic media, regarding Crystal Springs water quality and supply issues. Mr. De Graca showed samples of water taken from Crystal Springs to demonstrate water quality at certain turbidity values.

Mr. De Graca discussed the concerns of high turbidity and the system's limited treatment capacity. He said the Crystal Springs Pump Station and the pipeline capacity is less than the demand in the Peninsula.

Mr. De Graca stated that staff was looking at some watershed improvements to mitigate erosion turbidity and expanding the Crystal Springs pump station and Crystal Springs pipeline.

b. Polhemus Road

Carolyn Olsen, Assistant General Manager for Operations, reported that additional earth movements occurred at Polhemus Road due to sewer blockage upstream. A part of land adjacent to Polhemus Road slipped into the creek 20 feet away from the Crystal Springs Bypass Pipeline. Ms. Olsen stated that at the time of the report staff was working to keep the pipe stable and in operating condition. She said that a pipe evaluation would be scheduled to determine the integrity of the pipe.

Mr. Moran noted that major efforts were being done to fill in the creek and would be completed next week.

c. Professional Services Contracts

Mr. Moran reported about a hearing conducted by the Human Rights Commission (HRC) regarding the role that "price" plays in the selection of professional service consultants. Members of HRC expressed concerns that price is a barrier to small and minority firms in obtaining business with the City and they do not want to use price as a surrogate for exclusion. Mr. Moran noted that HRC would be scheduling more hearings to take comments from the contracting community. Commissioner Caen requested staff to advise the Commission of the next HRC hearing.

d. Bay Delta Solutions

Mr. Moran distributed a copy of an Editorial from the San Francisco Chronicle regarding release by CALFED of the Draft Environmental Impact Report (EIR) for Bay Delta solutions. Mr. Moran stated that the EIR does not have a preferred alternative and list three approaches that would be subjected to public comments and additional work. He said the article stressed the significance of carefully reviewing the solutions presented in the report. Other issues raised were the demands on the delta and who would pay for whatever solution is decided upon.

8. Public comments on matters that were not on today's agenda.

There were no public comments received.

REGULAR

9. Authorizing the use of Oakland Museum Conservation Center to perform conservation services.

Moved by Commissioner Cook, seconded by Commissioner Caen, to adopt Item 9; passed (4-0) unanimously.

Resolution No.98-0043: Authorizing the use of Oakland Museum Conservation Center to perform conservation services in connection with the rehabilitation of the Sunol Water Temple and Grounds.

10. Authorizing the issuance of a Request for Qualifications to create a pool of environmental consulting firms to provide environmental assessments for PUC capital improvement projects.

Mr. Moran noted that the item was prepared in response to the Commission's goal to establish a pool of qualified consultants, open the contracting process to small and minority firms, and shorten the process of contractor selection.

Mr. Steve Medbery, Manager, Bureau of Environmental Regulation and Management, stated that this process would require a mentoring plan for subcontractors to prepare them to become prime contractors.

Moved by Commissioner Werbe, seconded by Commissioner Caen, to adopt Item 10; passed (4-0) unanimously.

Resolution No. 98-0044: Authorizing the Manager of the Bureau of Environmental Regulation and Management to issue a Request for Qualifications to create a pool of qualified environmental consulting firms to provide environmental assessments for PUC capital improvement projects.

11. Ratifying the Declaration of Emergency and requesting approval of expenditure of funds for Utilities Engineering Bureau Contract No. 1506N.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Item 11; passed (4-0) unanimously.

Resolution No. 98-0045: Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission for Utilities Engineering Bureau Contract No. 1506N, Leavenworth Street Emergency Sewer Replacement, and requesting the Board of Supervisors to approve the expenditure of funds for emergency work.

LEASES AND PERMITS

12. Authorizing the jurisdictional transfer of two parcels of land located at Cesar Chavez Boulevard between Pennsylvania and Indiana Streets to the Public Transportation Commission.

Moved by Commissioner Caen, seconded by Commissioner Cook, to adopt Item 12; passed (4-0) unanimously.

Resolution No. 98-0046: Authorizing the General Manager of Public Utilities to request the Director of Property to prepare and submit the necessary legislation to the Board of Supervisors to accommodate the jurisdictional transfer of the two parcels of land owned by PUC totaling .34 acres, located at Cesar Chavez Boulevard between Pennsylvania and Indiana Streets, to the Public Transportation Commission.

On recommendation by President Makras, Commissioner Caen moved, seconded by Commissioner Cook, to adopt Items 13, 14, and 15 as consent items; passed (4-0) unanimously.

Mr. Moran noted that staff would be submitting an agenda item within the next few months proposing to take some portion of proceeds from the sale of surplus properties to be placed in reserve for use in purchasing watershed lands.

13. Resolution No. 98-0047: Declaring the Niles Reservoir and Niles Cottage in Fremont, California as surplus properties and authorizing the General Manager of Public Utilities to request the Director of Property to determine the fair market value of the properties, advertise them for sale, hold a public auction, and prepare and submit legislation to the Board of Supervisors to accommodate the sale.
14. Resolution No. 98-0048: Declaring a portion of Parcel 30 in San Mateo County (aka the Silva Tract) surplus property and authorizing the General Manager of Public Utilities to request the Director of Property to determine the fair market value of the property, advertise it for sale, hold a public auction, and prepare and submit legislation to the Board of Supervisors to accommodate the sale.
15. Resolution No. 98-0049: Declaring the Oakdale Maintenance Yard, including a single family residence, office building and other miscellaneous structures located in the City of Oakdale, Stanislaus County as surplus property; and authorizing the General Manager of Public Utilities to request the Director of Property to advertise the property for sale, hold a public auction, and prepare and submit legislation to the Board of Supervisors to accommodate the sale.

On recommendation by President Makras, Commissioner Werbe moved, seconded by Commissioner Caen to adopt Items 16, 17, 18, 19 and 20 as consent items; passed (4-0) unanimously.

President Makras inquired whether there was a policy to increase rents for permits that are below market rates at sometime in the future. Garrett Dowd, Manager of the Bureau of Commercial Land Management, replied that materials were being developed to

address this and other issues which would be submitted to the Commission for review. President Makras stated that in fairness to these tenants, they should be informed that the negotiated rent may be doubled in a short period of time.

16. Resolution No. 98-0050: Authorizing the General Manager of Public Utilities to execute a permit with Metropolitan Fiber Systems of California, Inc., dba Metropolitan Fiber Systems of San Jose, to install one telecommunications conduit within a portion of Parcel 123A of Bay Division Pipeline Numbers 3 and 4 right of way located in San Jose, Santa Clara County at an annual use fee of \$1,920.
17. Resolution No. 98-0051: Authorizing the General Manager of Public Utilities to execute a permit with Brooks Fiber Communications of San Jose, to install, maintain use and repair two telecommunications conduits within a portion of Parcels 156A and 159 of Bay Division Pipeline Numbers 3 and 4 right of way, located in Sunnyvale, Santa Clara County at an annual use fee of \$15,360.
18. Resolution No. 98-0052: Authorizing the General Manager of Public Utilities to execute a permit with Nextlink California, L.L.C., to install, maintain, use and repair one telecommunications conduit within a portion of Parcel 1215 of Bay Division Pipeline Numbers 1 and 2 right of way, located in Fremont, Alameda County at an annual use fee of \$4,320.
19. Resolution No. 98-0053: Authorizing the General Manager of Public Utilities to execute a permit with Nextlink California, L.L.C., to install, maintain, use and repair one telecommunications conduit within a portion of Parcel 111C of Bay Division Pipeline Nos. 3 and 4 right of way, located in Milpitas, Santa Clara County at an annual use fee of \$7,296.
20. Resolution No. 98-0054: Authorizing the General Manager of Public Utilities to execute a permit with Nextlink California, L.L.C., to install, maintain, use and repair one telecommunications conduit within a portion of Parcel 1524(1) of the Newark/San Lorenzo Easement right of way, located in Newark, Alameda County at an annual use fee of \$4,800.

CONSTRUCTION CONTRACTS

21. Authorizing advertisement for bids San Francisco Water Department Contract No. WD-2250. (Continued from the meeting of March 10, 1998).

President Makras expressed his preference in establishing a policy with regard to work involving seismic retrofitting or accessibility upgrades and then set priorities within that policy rather than dealing with this type of work on a case by case basis. Mr. Cockburn stated that ADA is somewhat limited to case by case application. He said staff would update a transition plan for both accessibility and seismic upgrades which would be used to tie those types of work with construction projects.

Mr. Moran stated that this work was part of staff's strategy as a result of the 1995 turbidity event. He said that staff did not want to tie this work to a multi year planning process as this type of work is clearly necessary, nor did they want to continue the City's exposure to seismic risks. Mr. Cockburn stated that the City would lose more in 3% inflation if we try to hold this job and wait for another piece.

Mr. Art Jensen, General Manager of the Bay Area Water Users Association, commented in support of the staff recommendation as it provides additional reliability in the near term while waiting for proper planning for the bigger project.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Item 21; passed (3-1) unanimously. President Makras voted no.

Resolution No. 98-0055: Approving the final plans and specifications for San Francisco Water Department Contract No. WD-2250, Sunol Plant Equipment Anchorage and Chemical Handling, and authorizing advertisement for bids.

22. Authorizing advertisement for bids for San Francisco Water Department Contract No. WD-2255, Sunol Valley Water Treatment Plant Filter Console Modification. (Continued from the meeting of March 10, 1998).

President Makras reiterated his concerns about the 2.84% WBE participation goal established for the contract and asked why it cannot be raised to 3%. Mr. Cockburn stated that two-thirds of the contract was for filter console assembly and packaging. As there were no available MBE/WBEs in this component of the contract, HRC used the electrical portion of the work and the availability within that contracting community.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Item 22; passed (4-0) unanimously.

Resolution No. 98-0056: Approving the final plans and specifications for San Francisco Water Department Contract No. WD-2255, Sunol Valley Water Treatment Plant Filter Console Modification, and authorizing advertisement for bids.

23. Authorizing advertisement for proposals for Utilities Engineering Bureau Contract No. CW-158, Southeast Water Pollution Control Plant Buildings Roofing Project.

Moved by Commissioner Cook, seconded by Commissioner Caen, to adopt Item 23; passed (4-0) unanimously.

Resolution No. 98-0057: Approving the final plans and specifications for Utilities Engineering Bureau Contract No. CW-158, Southeast Water Pollution Control Plant Buildings Roofing Project; and authorizing advertisement for proposals.

24. Authorizing advertisement for proposals for San Francisco Water Department Contract WD-2243, Cleaning Sunset Reservoir - South Basin.

Moved by Commissioner Werbe, seconded by Commissioner Caen, to adopt Item 24; passed (4-0) unanimously.

Resolution No. 98-0058: Approving the final plans and specifications for San Francisco Water Department Contract WD-2243, Cleaning Sunset Reservoir - South Basin; and authorizing advertisement for proposals.

On recommendation by President Makras, Commissioner Caen moved, seconded by Commissioner Cook to adopt Items 25, 26, 27, 28, and 29 as consent items; passed (4-0) unanimously.

25. Resolution No. 98-0059: Awarding San Francisco Water Department Contract No. WD-2219, Pulgas Pump Station Valves in the amount of \$227,000 to Schram Construction, Inc.

26. Resolution No. 98-0060: Awarding the Utilities Engineering Bureau Contract No. CW-126, Hunters Point Pump Station Demolition, in the amount of \$195,900 to Covey Trucking Company.

27. Resolution No. 98-0061: Awarding the Utilities Engineering Bureau Contract No. CW-108, 10th Avenue Sewer Replacement, in the amount of \$239, 150 to Harty Pipelines, Inc.
28. Resolution No. 98-0062: Awarding the Utilities Engineering Bureau Contract No. CW-109, Shotwell/Moultrie/26 Streets Sewer Replacement in the amount of \$219,850 to Ranger Pipelines/A. Answer JV.
29. Resolution No. 98-0063: Awarding PUC Contract No. CW-139, Channel Pump Station Variable Speed Control Improvement, in the amount of \$726,000 to Millard Tong Construction Co., Inc.

30. Accepting the work performed under San Francisco Water Department Contract WD-2064R.

President Makras expressed concern that the contractor was getting paid at the same rate as though he successfully completed the project on time and on budget. Mr. Cockburn stated that staff did not consider charging for penalties as the delays were caused by both PUC staff and the contractor.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Item 30; passed (3-1). President Makras voted no.

Resolution No. 98-0064: Accepting the work performed under San Francisco Water Department Contract WD-2064R, Installation of 36-Inch Steel Main in Dolores Street, 25th Street, Sanchez Street, and 22nd Street, extending time for completion; approving contract modifications no. 4 and 5; requesting the Board of Supervisors to approve expenditures for contract exceeding the original contract amount; and authorizing final payment in the amount of \$335,932.

CLOSED SESSION

31. Public Comments on matters to be discussed in Closed Session.

There were none.

32. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Caen, to assert the attorney-client privilege; passed (4-0) unanimously.

The Public Utilities Commission met in Closed Session from 2:30 p.m. to 5:55 p.m. to discuss the following matters:

33. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property:	Portion of Parcel 65 in Sunol, Alameda County
Parties Negotiating:	Dowd/Sullivan/Milstein
Lessee:	Mission Valley Rock
Under Negotiation:	Price and Terms

No action was taken.

34. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property:	Muni right of way, South San Francisco
Parties Negotiating:	CCSF - Dowd/Sullivan
Lessee:	Bay Area Rapid Transit District
Under Negotiation:	Terms and Conditions

No action was taken.

35. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Bay Bridge Pump Station
Parties Negotiating: CCSF - Dowd/Sullivan
Contracting Agency: CalTrans
Under Negotiation: Terms and Conditions

No action was taken.

36. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: California Book Site, 11 Phelan Avenue, San Francisco
Portion of Assessor's Block No. 3180
Parties Negotiating: Dowd
Lessee: Undetermined
Under Negotiation: Price and Terms

No action was taken.

37. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property
on Bernal Avenue in Alameda County.
Parties Negotiating: Ambrose/Nelson/Lymburn/Thompson
City of Pleasanton
Under Negotiations: Terms and Conditions

No action was taken.

Note: Commissioner Werbe was excused at 4:00 P.M.

The Public Utilities Commission reconvened in an open session.

38. Announcement following Closed Session.

President Makras announced the actions taken during the Closed Session.

39. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Caen, not to disclose the discussion during the Closed Session; passed (3-0) unanimously.

Thereupon, the meeting was adjourned: 5:58 P.M.

Romaine A. Boldridge
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

April 7, 1998
1:00 P.M.
Room 402
1155 Market Street, Fourth Floor

DOCUMENTS DEPT.
APR 03 1998
SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancements system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a. Load Aggregation - 10 mins. (Klein/Park)
 - b. Hunters Point and Potrero Power Plant Update - 10 mins. (Moran)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

REGULAR BUSINESS

9. Designating a date, time and place to hold a public hearing to consider the proposed rate adjustments for water and sewer services provided by the Water Enterprise and Clean Water Enterprise. (Moran)
10. Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission; and requesting the Board of Supervisors to approve the expenditure of funds for the emergency work to replace the structurally inadequate sewer on Church Street from 19th Street to Hancock Street, Contract No. CW-115. (Cockburn)
11. Authorizing the General Manager of Public Utilities to expend \$275,000 for participation in Step 2 of the Bay Area Regional Water Recycling Program. 15 mins. (Ritchie)

LEASES AND PERMITS

12. Authorizing the General Manager of Public Utilities to execute a permit with Exxon Company, U.S.A. to install seven piezometer wells and perform deep boring and potholing within a portion of Parcels 146 and 148 of Bay Division Pipeline Nos. 3 and 4 right of way located in Sunnyvale, Santa Clara County. (Dowd)
13. Authorizing the General Manager of Public Utilities to execute a lease with K.J. Woods Construction, Inc. for 8,400 square feet of Public Utilities Commission land located on a portion of Parcel 24 of former Muni Railway right of way in Burlingame, California for storage of equipment and materials at a monthly rental rate of \$2,000. (Dowd)
14. Authorizing the General Manager of Public Utilities to execute a permit with Nextlink California, L.L.C. to install, maintain and repair one telecommunications conduit within a portion of Parcel 1215 of Bay Division Pipeline Nos. 1 and 2 right of way, located in Fremont, Alameda County. (Dowd)

LEASES AND PERMITS (Continued)

15. Authorizing the General Manager of Public Utilities to execute a permit with Nextlink California, L.L.C. to install, maintain and repair one telecommunications conduit within a portion of Parcel 111C of Bay Division Pipeline Nos. 3 and 4 right of way, located in Milpitas, Santa Clara County. (Dowd)

CONSTRUCTION CONTRACTS

Advertise

16. Approving the final plans and specifications for San Francisco Water Department Contract WD-2202, 12-Inch Ductile Iron Feeder Main Installation in 24th Street Between Valencia Street and Harrison Street, and authorizing advertisement for bids. (Cockburn)
17. Approving the final plans and specifications for San Francisco Water Department Contract WD-2208, Sunset Supply Pipeline Replacement, and authorizing advertisement for bids. (Cockburn)
18. Approving the final plans and specifications for Utilities Engineering Bureau Contract No. CW-119, Day/Congo/Marston/Cuvier Streets Sewer Replacement, and authorizing advertisement for bids. (Cockburn)
19. Approving the final plans and specifications for Utilities Engineering Bureau Contract No. CW-122, Dolores/Ord/23rd/28th Streets Sewer Replacement, and authorizing advertisement for bids. (Cockburn)
20. Approving the final plans and specifications for Utilities Engineering Bureau Contract No. CW-123, North Point Water Pollution Control Plant Improvements-Phase 3A, and authorizing advertisement for bids. (Cockburn)
21. Approving the final plans and specifications for Utilities Engineering Bureau Contract No. CW-142, Southeast Water Pollution Control Plant Security Improvements, and authorizing advertisement for bids. (Cockburn)

Award

22. Awarding UEB Contract Specification No. CW-140, Islais Creek Public Access Improvements, in the amount of \$1,613,733 to Stacey Witbeck/Ramirez, Joint Venture. (Cockburn)

Close

23. Accepting the work performed for Contract Specification No. 1256N, 21st/22nd /23rd Streets Sewer Replacement; approving contract modification no. 1 in the credit amount of \$33,497.32; and approving final payment of \$12,475.13 to the contractor, K. J. Woods Construction, Inc. (Cockburn)
24. Accepting the work performed for Contract Specification No. 1370N, Ludlow Alley Sewer Replacement; approving contract modification no. 1 in the credit amount of \$10,945; and approving final payment of \$2,052.75 to the contractor, K. J. Woods Construction, Inc. (Cockburn)

Reject

25. Rejecting the bids received on February 26, 1998 for Contract No. CW-100, Yosemite/Egbert Sewer Enlargement, and authorizing readvertisement for bids. (Cockburn)

PROFESSIONAL SERVICE CONTRACTS

Award

26. Authorizing staff to enter into negotiations with Artemis Capital/Bartle Wells to provide financial advisory services for a one-year contract with two one-year options with a first year cost not to exceed \$300,000 plus fees related to the sale of bonds. (Carmichael)

CLOSED SESSION

27. Public Comments on matters to be discussed in Closed Session.
28. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

29. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property:	Muni right of way, South San Francisco
Parties Negotiating:	CCSF - Dowd/Sullivan
Lessee:	Bay Area Rapid Transit District
Under Negotiation:	Terms and Conditions

30. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation:	As Plaintiff and as Defendant
Property:	500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating:	Ambrose/Nelson/Lymburn/Thompson City of Pleasanton
Under Negotiations:	Terms and Conditions

31. Conference with Legal Counsel - Pursuant to Government Section 54956.9(a):
(Berliner)

- Existing Litigation:
- 1) Bay Delta Hearings before the State Water Resources Control Board.
 - 2) Electric Restructuring Hearings before the California Public Utilities Commission.
 - 3) Electric Restructuring Hearings before the Federal Energy Regulatory Commission.

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

32. Announcement following Closed Session.

33. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

NOTICE OF MEETING CANCELLATION

The regular meeting of the Public Utilities Commission scheduled for April 14, 1998 has been canceled. The next regular meeting of the Commission will be April 28, 1998.

ADDENDUM TO PUC AGENDA

City and County of San Francisco
Public Utilities Commission

1:00 P.M.

April 7, 1998

1155 Market Street, 4th Floor
San Francisco, CA 94103

DOCUMENTS DEPT.

APR 06 1998

SAN FRANCISCO
PUBLIC LIBRARY

CLOSED SESSION

31. a. Conference with Legal Counsel - Pursuant to Government Code Section
54956.9(b)(c): (Berliner)

Anticipated Litigation: State Water Resources Control Board

MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

April 7, 1998
1:00 P.M.
Room 402
1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

MAY 18 1998

SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

1. Call to Order: 1:20 P.M.

Commissioner Werbe chaired the meeting at the request of President Makras.

2. Roll Call: Present - President Victor G. Makras, Commissioner Robert K. Werbe, Commissioner Frank L. Cook

Excused - Vice President Ann Moller Caen, Commissioner E. Dennis Normandy

3. Approval of Minutes

Moved by Commissioner Cook, seconded by Commissioner Makras, to approve the Minutes of the Regular Meeting of March 10, 1998; passed (3-0) unanimously.

4. Communications

No action was taken.

5. Introduction of Old/Ongoing Business by Commissioners

No action was taken.

6. Introduction of New Business by Commissioners

There was no new business introduced by Commissioners.

7. Report of the General Manager

Anson B. Moran, General Manager of Public Utilities, announced that he would be taking a vacation next week and Carolyn Olsen, Assistant General Manager for Operations, would serve as Acting General Manager during his absence.

- a. Load Aggregation

Lawrence T. Klein, General Manager of Hetch Hetchy Water & Power, gave a presentation regarding "load aggregation and direct access programs" using electronic media. Mr. Klein discussed the advantages of the two programs to consumers. The Community Aggregation is a program for residential and small

commercial customers. The Direct Access Program is attractive to larger commercial and industrial customers. Mr. Klein stated that the City of South San Francisco and Palm Springs recently signed aggregation agreements. South San Francisco signed an agreement with Enron wherein consumers were promised 5% savings on gas and electric bills. Palm Springs has a flat rate for electric usage. On the other hand, the University of California entered in a direct access agreement getting 5% off the bundled rate.

In response to Commissioner Makras' question regarding input from the community, Laurie Park stated that the public wants a multi-faceted program to get energy savings, efficiency service, renewable energy and discounted power for purchase of green power. Staff would continue to meet with community leaders to get further input. Mr. Klein stated that staff would investigate regarding what other agencies were doing regarding electric supply options and return to the Commission with an update.

Sam Lauter, Public Affairs Manager for PG&E, explained that under electric deregulation PG&E would no longer generate energy. The California State Public Utilities Commission and the State Legislature did not want utility companies that deliver power to own power plants. He said the 10% reduction on consumers bills would be paid from PG&E selling their power generating resources.

Commissioner Makras requested staff to furnish the Commission with copies of the contract of the City of South San Francisco and a list of larger power users and their power rates.

b. Hunters Point and Potrero Power Plant Update

Romaine A. Boldridge, Commission Secretary, announced that Commissioner Caen requested a copy of today's meeting tapes so that she could hear the public comments on this matter. A copy of the tape would also be provided to Commissioner Normandy.

The following individuals commented in favor of the City purchasing the Hunters Point and the Potrero power plants: Dr. Lew Brenneman, physician in San Francisco; Catherine Mahanpour of the Environmental Law and Justice Council; Neil Gendel, Healthy Children Organizing Project; Rodrigo Tascano, Labor Party-Golden Gate Chapter; Sarah Rock of the Green Community, Gray Panthers; Robin David, member of IBEW Local 425; Claude Wilson, Executive Director of Southeast Alliance for Environmental Justice (SAEJ); Pauline Peele, Bayview Housing Corporation; Greg Freeman, Bayview Hunters Point Business Association; Dorris M. Vincent; Charles Dacus, Sr.; Eve Bach, Arc Ecology; Jeff Marmer, Coalition for Better Wastewater Solutions; Marie Harrison; Lurilla Harris of Gray Panthers; Imogene Hubbard of Southeast Alliance for Environmental Justice; Alvin Jones, PAC Community Action; Sopenhia

Maxwell; Silene Huang; Maurice Campbell; Willie Ratcliff, President of African American Contractors; Elizabeth Tan, Environmental Justice Director and SLUG; Tonia Rivera, SLUG; Arnoldo Garcia, Urban Habitat Program; Kenny Osborne, SLUG; Ena Aguirre; Geri Almanza of People Organizing and Demand Environmental Rights; Caroline Washington from SAEJ; and Francesca Viotor, President of the Commission on the Environment.

Commissioner Werbe acknowledged the comments made by the public. He stated that the Commission also does not approve of pollution. He stated that the Commission would consider trying to devise a plan that would be successful in eliminating pollution.

Commissioner Cook said he supports looking into the benefit of removing these plants or owning them but he could not see buying those plants from PG&E. He said PG&E should have solved the pollution problem a long time ago.

Commissioner Makras said that he was not sure that the plants could be eliminated altogether. He asked if the Commission were able to reduce the emissions substantially, that is greater than 50 percent, would SAEJ support continued generation. Mr. Wilson replied affirmatively.

Commissioner Makras stated that based on the comments received from the public, he would direct staff to continue with the work they already started on the issue, to loop all the information that has surfaced in a short period of time and report to the Commission at the next meeting under the General Manager's Report.

8. Public comments on matters that were not on today's agenda.

There were no public comments.

REGULAR

9. Scheduling a public hearing to consider proposed rate adjustments for water and sewer services.

Commissioner Makras directed staff to advise the person who testified at a previous Commission meeting about the staff's recommendation regarding fire service and sprinkler systems service charges.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt Item 9; passed (3-0) unanimously.

Resolution No. 98-0065: Designating May 12, 1998 at 1:00 p.m., in Room 402, 1155 Market Street, as the date, time and place to hold a public hearing to consider the proposed rate adjustments for water and sewer services provided by the Water Enterprise and Clean Water Enterprise.

10. Requesting approval of expenditure of funds for the emergency work to replace the sewer on Church Street from 19th Street to Hancock Street.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt Item 10; passed (3-0) unanimously.

Resolution No. 98-0066: Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission; and requesting the Board of Supervisors to approve the expenditure of funds for the emergency work to replace the structurally inadequate sewer on Church Street from 19th Street to Hancock Street, Contract No. CW-115.

11. Authorizing the General Manager of Public Utilities to expend \$275,000 for participation in Step 2 of the Bay Area Regional Water Recycling Program.

Commissioner Makras stated that he would like to look at balancing the economics of a feasibility study for a Bay area-wide regional water reuse program and to know what the potential uses of recycled water are and the City's revenue would be. He requested staff to send a memo to the Commission on when the benefits could be realized from these studies.

Moved by Commissioner Cook, seconded by Commissioner Makras, to adopt Item 11; passed (3-0) unanimously.

Resolution No. 98-0067: Authorizing the General Manager of Public Utilities to expend \$275,000 for participation in Step 2 of the Bay Area Regional Water Recycling Program.

LEASES AND PERMITS

On recommendation by the Chair, Commissioner Makras moved, seconded by Commissioner Cook, to adopt items 12, 13, 14, and 15; passed (3-0) unanimously.

12. Resolution No. 98-0068: Authorizing the General Manager of Public Utilities to execute a permit with Exxon Company, U.S.A. to install seven piezometer wells and perform deep boring and potholing within a portion of Parcels 146 and 148 of Bay Division Pipeline Nos. 3 and 4 right of way located in Sunnyvale, Santa Clara County.
13. Resolution No. 98-0069: Authorizing the General Manager of Public Utilities to execute a lease with K.J. Woods Construction, Inc. for 8,400 square feet of Public Utilities Commission land located on a portion of Parcel 24 of former Muni Railway right of way in Burlingame, California for storage of equipment and materials at a monthly rental rate of \$2,000.
14. Resolution No. 98-0070: Authorizing the General Manager of Public Utilities to execute a permit with Nextlink California, L.L.C. to install, maintain and repair one telecommunications conduit within a portion of Parcel 1215 of Bay Division Pipeline Nos. 1 and 2 right of way, located in Fremont, Alameda County.
15. Resolution No. 98-0071: Authorizing the General Manager of Public Utilities to execute a permit with Nextlink California, L.L.C. to install, maintain and repair one telecommunications conduit within a portion of Parcel 111C of Bay Division Pipeline Nos. 3 and 4 right of way, located in Milpitas, Santa Clara County.

CONSTRUCTION CONTRACTS

On recommendation by the Chair, Commissioner Cook moved, seconded by Commissioner Makras, to adopt Items 16, 17, 18, 19, 20, and 21 as consent items; passed (3-0) unanimously.

16. Resolution No. 98-0072: Approving the final plans and specifications for San Francisco Water Department Contract WD-2202, 12-Inch Ductile Iron Feeder Main Installation in 24th Street Between Valencia Street and Harrison Street, and authorizing advertisement for bids.

17. Resolution No. 98-0073: Approving the final plans and specifications for San Francisco Water Department Contract WD-2208, Sunset Supply Pipeline Replacement, and authorizing advertisement for bids.
18. Resolution No. 98-0074: Approving the final plans and specifications for Utilities Engineering Bureau Contract No. CW-119, Day/Congo/Marston/Cuvier Streets Sewer Replacement, and authorizing advertisement for bids.
19. Resolution No. 98-0075: Approving the final plans and specifications for Utilities Engineering Bureau Contract No. CW-122, Dolores/Ord/23rd/28th Streets Sewer Replacement, and authorizing advertisement for bids.
20. Resolution No. 98-0076: Approving the final plans and specifications for Utilities Engineering Bureau Contract No. CW-128, North Point Water Pollution Control Plant Improvements-Phase 3A, and authorizing advertisement for bids.
21. Resolution No. 98-0077: Approving the final plans and specifications for Utilities Engineering Bureau Contract No. CW-142, Southeast Water Pollution Control Plant Security Improvements, and authorizing advertisement for bids.

On recommendation by the Chair, Commissioner Cook moved, seconded by Commissioner Makras; to adopt items 22, 23, and 24 as consent items; passed (3-0) unanimously.

22. Resolution No. 98-0078: Awarding UEB Contract Specification No. CW-140, Islais Creek Public Access Improvements, in the amount of \$1,613,733 to Stacey Witbeck/Ramirez, Joint Venture.
23. Resolution No. 98-0079: Accepting the work performed for Contract Specification No. 1256N, 21st/22nd/23rd Streets Sewer Replacement; approving contract modification no. 1 in the credit amount of \$33,497.32; and approving final payment of \$12,475.13 to the contractor, K. J. Woods Construction, Inc.
24. Resolution No. 98-0080: Accepting the work performed for Contract Specification No. 1370N, Ludlow Alley Sewer Replacement; approving contract modification no. 1 in the credit amount of \$10,945; and approving final payment of \$2,052.75 to the contractor, K. J. Woods Construction, Inc.

25. Authorizing readvertisement for bids for Contract No. CW-100, Yosemite/Egbert Sewer Enlargement, and authorizing readvertisement for bids.

Moved by Commissioner Cook, seconded by Commissioner Makras, to adopt Item 25; passed (3-0) unanimously.

Resolution No. 98-0081: Rejecting the bids received on February 26, 1998 for Contract No. CW-100, Yosemite/Egbert Sewer Enlargement, and authorizing readvertisement for bids.

PROFESSIONAL SERVICE CONTRACTS

26. Authorizing staff to enter into negotiations with Artemis Capital/Bartle Wells to provide financial advisory services.

Moved by Commissioner Cook, seconded by Commissioner Makras, to adopt Item 26; passed (3-0) unanimously.

Resolution No. 98-0082: Authorizing staff to enter into negotiations with Artemis Capital/Bartle Wells to provide financial advisory services for a one-year contract with two one-year options with a first year cost not to exceed \$300,000 plus fees related to the sale of bonds.

CLOSED SESSION

27. Public Comments on matters to be discussed in Closed Session.

On Item 29, Fred Arnold, Manager of Property Acquisition for the Bay Area Rapid Transit District (BART), spoke urging the Commission to grant the encroachment permit, the license and the sale agreement with BART.

28. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Makras, to assert the attorney-client privilege; passed (3-0) unanimously.

The Public Utilities Commission met in Closed Session from 3:30 p.m. to 5:15 p.m. to discuss the following matters:

29. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Muni right of way, South San Francisco
Parties Negotiating: CCSF - Dowd/Sullivan
Lessee: Bay Area Rapid Transit District
Under Negotiation: Terms and Conditions

No action was taken.

30. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating: Ambrose/Nelson/Lymburn/Thompson
City of Pleasanton
Under Negotiations: Terms and Conditions

No action was taken.

31. Conference with Legal Counsel - Pursuant to Government Section 54956.9(a):

Existing Litigation: 1) Bay Delta Hearings before the State Water Resources Control Board.
2) Electric Restructuring Hearings before the California Public Utilities Commission.
3) Electric Restructuring Hearings before the Federal Energy Regulatory Commission.

No action was taken.

- 31.a. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: State Water Resources Control Board

No action was taken.

The Public Utilities Commission reconvened in an open session.

32. Announcement following Closed Session.

Romaine A. Boldridge, Commission Secretary, announced the actions taken during the Closed Session.

33. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Makras, not to disclose the discussion during the Closed Session; passed (3-0) unanimously.

Thereupon, the meeting was adjourned: 5:16 P.M.

Romaine A. Boldridge
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

April 28, 1998
1:00 P.M.
Room 402
1155 Market Street, Fourth Floor

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

DOCUMENTS DEPT.
APR 24 1998
Sr. Clerk
PUBLIC LIBRARY

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a. Power Plants - 5 mins. (Moran)
 - b. Bernal Avenue Project - 5 mins. (Moran)
 - c. Public Outreach - 5 mins. (Moran)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

REGULAR BUSINESS

9. To present an overview of the Public Utilities Commission Water Resource Policy, Planning and Opportunities. 8 mins. (Williams)
10. Amending the San Francisco Administrative Code Section 6.1-1 to provide for additional time for awarding contracts let by the Public Utilities Commission and the Public Transportation Commission. (Cockburn)
11. Authorizing the acceptance of 15 streetlights and poles as a gift from a group of residents of Vallejo Crest. (Klein)
12. Approving the Discharge Agreement between the City of San Francisco and the Modesto Irrigation District to allow discharge of untreated water from the Hetch Hetchy Water and Power's San Joaquin Pipelines Crossover System into the Modesto Irrigation District's main canal located in the City of Riverbank. (Klein)
13. Authorizing the General Manager of Public Utilities to execute Quitclaim Conveyance Agreements by Pacific Gas and Electric Company (PG&E) to the City for Special Facilities constructed by PG&E at the San Francisco International Airport. (Klein)
14. Authorizing the General Manager of Public Utilities to request the Controller to transfer \$5.8 million from the Hetch Hetchy operating budget to cover the increased costs of purchase of power and transmission charges for FY 1997-98. (Klein)
15. Authorizing the General Manager of Public Utilities to request the Controller to transfer \$320,000 from "Salaries" to "Services of Other Departments" within the City Distribution Division's budget. (Flores)
16. Approving the transfer of \$25,000 from the PUC Comprehensive Communications Program budget to an existing public affairs multi-year contract to fund an expanded public opinion survey and other communications projects. (Dayonot)

LEASES AND PERMITS

17. Authorizing the General Manager of Public Utilities to execute a lease with Moshe Morry Shatzki dba Express Gasoline and Auto Dealz, for approximately 5,700 sq. ft. of PUC land located on a portion of Parcel 2003(6) of Bay Division Pipelines No. 1 and 2 right of way in Menlo Park, California for vehicle storage at an annual rental rate of \$6,000. (Dowd)
18. Authorizing the General Manager of Public Utilities to execute a lease with Stomper Company, Inc. for approximately .44 acres of PUC land located on a portion of Parcel 1254(6) of Bay Division Pipelines No. 1 and 2 right of way in Newark, California, for storage purposes at an annual rental rate of \$5,856. (Dowd)

CONSTRUCTION CONTRACTS

Advertise

19. Approving the final plans and specifications for San Francisco Water Department Contract WD-2232, 8-Inch Ductile Iron Main Installation in Polk Street from Broadway to Filbert Street; Clay Street to Pacific Avenue; Turk Street to Ellis Street; McAllister Street to Golden Gate Avenue and Fell Street to Grove Street; authorizing advertisement for bids; and authorizing the General Manager of Public Utilities to award the contract to the lowest responsive and responsible bidder. (Cockburn)
20. Approving the final plans and specifications for San Francisco Water Department Contract WD-2226, 6 & 8-Inch Ductile Iron Main Installation in Gough Street between Golden Gate Avenue and Haight Street; and authorizing advertisement for bids. (Cockburn)
21. Approving the final plans and specifications for San Francisco Water Department Contract WD-2233, 12-Inch Ductile Iron Feeder Main Installation in Pacific Avenue between Fillmore Street and Van Ness Avenue; and authorizing advertisement for bids. (Cockburn)

CONSTRUCTION CONTRACTS (Continued)

22. Approving the final plans and specifications for San Francisco Water Department Contract WD-2242, Thomas Shaft Chlorination Facility Improvement, Phase 1, Emergency Disinfection Station; and authorizing advertisement for bids and transfer of funds. (Cockburn)
23. Approving the final plans and specifications for San Francisco Water Department Contract WD-2247, Bay Division Pipelines No. 1 and 2, Timber Trestle Repairs - Contract 4 of 5; and authorizing advertisement for bids. (Cockburn)

Award

24. Awarding the San Francisco Water Department Contract WD-2223, Supervisory Control and Data Acquisition (SCADA) System, in the amount of \$10,542,055 to Transdyn Controls, Inc./Cresci Electric, Inc., JV. (Cockburn)

PROFESSIONAL SERVICE CONTRACTS

Award

25. Authorizing the Manager of the Bureau of the System Planning and Regulatory Compliance to award a professional services agreement to Montgomery Watson/AGS, Inc./Structus Joint Venture to perform engineering services for the Sunol Valley Water Treatment Plant (SVWTP) Improvement Project for a contract amount not to exceed \$5,819,000 over two years and to allocate \$343,000 to the existing engineering as-needed contract to fund the optional items identified in the SVWTP Improvement Project Scope of Work. 15 mins. (Leonard)
26. Authorizing the Manager of the Bureau of Environmental Regulation and Management to negotiate and award a professional services contract to Uribe and Associates to develop and implement pollution prevention strategies with a contract amount not to exceed \$50,000 in FY 1997-98 and a total contract value not to exceed \$300,000 over three years. (Medbery)

PROFESSIONAL SERVICES CONTRACTS (Continued)

Amend

27. Authorizing the Manager of the Utilities Engineering Bureau to execute Amendment No. 7 to the agreement with Westin Engineering Inc. to provide engineering services during the construction of the San Francisco Water Supervisory Control and Data Acquisition (SCADA) System; increasing the agreement limit by an amount not to exceed \$1,672,720 and extending the term by two years to June 30, 2000. (Cockburn)
28. Authorizing the General Manager of Public Utilities to amend the professional services agreement with Public Affairs Management, Inc. to finalize the Watershed Planning Project and perform as needed public relations tasks for a total contract amount not to exceed \$40,000. (Dayonot)
29. Authorizing the Manager of the Bureau of Environmental Regulation and Management to execute Amendment No. 2 to each as-needed environmental consulting contracts with Baseline Environmental, Camp, Dresser McKee, and the Tetra Tech/Olivia Chen Joint Venture restoring the total potential expenditure under the three contracts to an amount not to exceed \$3,200,000. (Medbery)
30. Authorizing the General Manager of Public Utilities to continue an existing relationship with Duane, Morris and Heckscher LLP to provide legal services related to water and power rights; extending the term of the contract to June 30, 2000 and increasing the contract funding by \$900,000 for a contract total not to exceed \$1,344,793. (Klein)
31. Authorizing the General Manager of Public Utilities to continue an existing relationship with R.M. Hairston Company to provide power resource planning services; increasing the contract funding by \$100,000 for a contract total not to exceed \$150,000. (Klein)
32. Authorizing the General Manager of Public Utilities to continue an existing relationship with HMM Resources, Inc. (formerly Hansen, McOuat, & Hamrin, Inc.) to provide power planning services; increasing the contract funding by \$250,000 for a contract total not to exceed \$400,000. (Klein)

PROFESSIONAL SERVICES CONTRACTS (Continued)

33. Authorizing the General Manager of Public Utilities to continue an existing relationship with Daniel B. Steiner, Consulting Engineer to provide legal services related to water and power rights increasing the contract funding by \$175,000 for a contract total not to exceed \$1,623,000; and extending the term of the contract to June 30, 1999. (Klein)
34. Authorizing the General Manager of Public Utilities to continue an existing relationship with Ronald Yoshiyama to provide consulting services related to biological issues; extending the term of the contract to August 31, 1999 and increasing the contract funding by \$20,000 for a contract total not to exceed \$96,000. (Klein)

CLOSED SESSION

35. Public Comments on matters to be discussed in Closed Session.
36. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

37. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c): (Wong)

Anticipated Litigation: As Defendant
Regarding the Alemany Pump Station Electrical
Improvement Project.

38. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a): (Milstein)

Existing Litigation: Hefter v. City and County of San Francisco

39. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Muni right of way, South San Francisco
Parties Negotiating: CCSF - Dowd/Sullivan
Lessee: Bay Area Rapid Transit District
Under Negotiation: Terms and Conditions

40. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Bay Bridge Pump Station
Parties Negotiating: CCSF - Dowd/Sullivan
Contracting Agency: CalTrans
Under Negotiation: Terms and Conditions

41. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating: Nelson/Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiations: Terms and Conditions

42. Conference with Legal Counsel - Pursuant to Government Section 54956.9(a): (Berliner)

Existing Litigation: 1) Bay Delta Hearings before the State Water Resources Control Board.
2) Electric Restructuring Hearings before the California Public Utilities Commission.
3) Electric Restructuring Hearings before the Federal Energy Regulatory Commission.

43. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c); (Berliner)

Anticipated Litigation: State Water Resources Control Board

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

44. Announcement following Closed Session.
45. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

198
MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

April 28, 1998
1:00 P.M.
Room 402
1155 Market Street, Fourth Floor

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DOCUMENTS DEPT.
JUL 01 1998
SAN FRANCISCO
PUBLIC LIBRARY

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

1. Call to Order: 1:05 P.M.
2. Roll Call: Present - President Victor G. Makras, Vice President Ann Moller Caen, Commissioner E. Dennis Normandy

Commissioner Robert K. Werbe and Commissioner Frank L. Cook arrived at 1:06 p.m.
3. Approval of Minutes

Moved by Commissioner Caen, seconded by Commissioner Normandy, to approve the Minutes of the Regular Meeting of March 24, 1998; passed (5-0) unanimously.
4. Communications

No action was taken.
5. Introduction of Old/Ongoing Business by Commissioners

Commissioner Caen requested staff to provide the Commission with an update regarding refunding opportunities for Series 95 Sewer bonds.

Commissioner Normandy requested staff to provide a status report regarding the purchase of 525 Golden Gate Avenue at the next PUC meeting.
6. Introduction of New Business by Commissioners

Commissioner Normandy requested staff to schedule at a PUC meeting in May a discussion concerning program management to explore how program management could work within the PUC operations.

7. Report of the General Manager

a. Power Plants

Anson B. Moran, General Manager of Public Utilities, reported that staff circulated a Request for Qualifications (RFQ) to potential partners who may be interested in joining with the City toward the purchase of the Hunters Point and Potrero power plants from Pacific Gas & Electric Company. He stated that the RFQ included a draft term sheet that sets out the conditions of participation of the potential partner. Mr. Moran stated that the terms of the partnership limit development opportunities which are of great concern to the PUC and the community. He said three potential partners signed the term sheet and the confidential agreement.

Mr. Moran advised that PG&E was not willing to extend the time for auction of the power plants. If the City were to negotiate a purchase, we have to have a firm offer by the end of May. Staff would bring an outline of the final deal to the Commission.

President Makras asked how the community responded to the Commission's decision to pursue the purchase of the power plants. Laurie Park, Water Resource & Planning Manager, stated that the community indicated their commitment to participate in the process. Willie Ratcliff, publisher of the Bayview Newspaper, commented that the community wanted the Hunters Point and the Potrero power plants relocated out of San Francisco. President Makras emphasized the significance of the community's support and involvement in the process and suggested that staff develop an outreach program in this regard.

Commissioner Werbe stated that he was not in favor of the City buying these power plants. He urged that the community talk to PG&E to do something about eliminating the pollution caused by these plants. President Makras stated that PUC was asked by the Board of Supervisors to look at the possibilities of purchasing these power plants and it is also in PUC's domain to carry on the process.

Commissioner Cook stated that he would like to review the three proposals. Commissioner Normandy suggested that the three proposers address the phase out process and mitigation measures to reduce pollution when they make their presentations to the Commission.

President Makras directed staff to schedule a presentation of the three bidders so that the Commission could review the best management plan whether the City or a third party should own the power plants. He stated that if the City were the successful bidder, the PUC would subscribe to the best management plan.

If the City was not successful, he expects every other bidder and PG&E to consider the best management plan in their bid process.

The following students from Gloria R. Davis Academic Middle School, Marcus Tucker, Erica Reed, Jasmine Wilson and Renato Hughes, Jr. urged the Commission to purchase the power plants.

The following individuals commented in support of the City purchasing the power plants: Marie Harrison; Robin David; David Walters, a member of IBEW Local 45, representing the Golden Gate Chapter of Labor Party; Ed Rosario; and Walter L. Johnson of the San Francisco Labor Council; Alex Lantsberg, Southeast Alliance for Environmental Justice (SAEJ); Pauline Peele of SAEJ; Sarah Rock of the Green Community/Gray Panthers; Willie Ratcliff, San Francisco Bayview Newspaper; Raymond Tompkins, Associate Researcher at the San Francisco State University and a member of BVHP Environmental Health Task Force; Allan Ramo; Neil Gendel, Health Children Organizing Project; Imogene Hubbard; David Paul Grace; and Ena Aguirre.

President Makras directed staff to request a representative from PG&E to convey the goals of PG&E to the Commission on this issue.

b. Bernal Avenue Project

Item 7B was removed from the agenda.

c. Public Outreach

Commissioner Normandy presented some graphic designs for the PUC logo. He stated that a new logo would integrate all the three PUC units, Water Supply, Hetch Hetchy Water & Power and the Clean Water Enterprise in one graphic entity. President Makras directed staff to schedule this matter at the next PUC meeting for action of the Commission.

8. Public comments on matters that were not on today's agenda.

Martin Bournhonesque urged the Commission to consider establishing an organic farm in Sunol instead of gravel quarries.

REGULAR

9. To present an overview of the Public Utilities Commission Water Resource Policy, Planning and Opportunities.

Moved by President Makras, seconded by Commissioner Cook, to continue Item 9 to the Call of the Chair; passed (5-0) unanimously.

10. Amending the San Francisco Administrative Code Section 6.1-1 to provide for additional time for awarding contracts.

Moved by Commissioner Werbe, seconded by Commissioner Normandy, to adopt Item 10; passed (5-0) unanimously.

Resolution No. 98-0083: Amending the San Francisco Administrative Code Section 6.1-1 to provide for additional time for awarding contracts let by the Public Utilities Commission and the Public Transportation Commission.

11. Acceptance of 15 streetlights and poles from Vallejo Crest residents.

Moved by Commissioner Caen, seconded by Commissioner Normandy, to adopt Item 11; passed (5-0) unanimously.

Resolution no. 98-0084: Authorizing the acceptance of 15 streetlights and poles as a gift from a group of residents of Vallejo Crest.

12. Approving the Discharge Agreement between the City of San Francisco and the Modesto Irrigation District.

Moved by Commissioner Werbe, seconded by Commissioner Normandy, to adopt 12; passed (5-0) unanimously.

Resolution No. 98-0085: Approving the Discharge Agreement between the City of San Francisco and the Modesto Irrigation District to allow discharge of untreated water from the Hetch Hetchy Water and Power's San Joaquin Pipelines Crossover System into the Modesto Irrigation District's main canal located in the City of Riverbank.

13. Authorizing Quitclaim Conveyance Agreements by Pacific Gas and Electric Company (PG&E) for Special Facilities constructed by PG&E at the San Francisco International Airport.

Moved by Commissioner Makras, seconded by Commissioner Caen, to adopt Item 13; passed (5-0) unanimously.

Resolution No. 98-0086: Authorizing the General Manager of Public Utilities to execute Quitclaim Conveyance Agreements by Pacific Gas and Electric Company (PG&E) to the City for Special Facilities constructed by PG&E at the San Francisco International Airport.

14. Requesting the transfer of \$5.8 million from the Hetch Hetchy operating budget to cover the increased costs of purchase of power and transmission charges.

President Makras directed staff to provide the Commission with a report regarding other accounts that are underbudgeted and other monies that appear to be surplus at this time.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 14; passed (5-0) unanimously.

Resolution No. 98-0087: Authorizing the General Manager of Public Utilities to request the Controller to transfer \$5.8 million from the Hetch Hetchy operating budget to cover the increased costs of purchase of power and transmission charges for FY 1997-98.

15. Authorizing the General Manager of Public Utilities to request the Controller to transfer \$320,000 from "Salaries" to "Services of Other Departments" within the City Distribution Division's budget.

Moved by Commissioner Makras, seconded by Commissioner Normandy, to continue Item 15 to the Call of the Chair; passed (5-0) unanimously.

Note: Commissioner Werbe was excused at 2:45 p.m..

16. Approving the transfer of \$25,000 from the PUC Comprehensive Communications Program budget to an existing Public Affairs' multi year contract to fund an expanded public opinion survey and other communications projects.

Commissioner Normandy moved, seconded by President Makras, to adopt the resolution.

Commissioner Caen requested that staff provide her with the questions that would be asked on the survey. She wanted to know the nature of the questions and what is expected to be achieved from the survey.

President Makras and Commissioner Normandy withdrew their motion to adopt the resolution. Commissioner Normandy requested staff to provide the Commission with the list of questions and the rationale for each of the questions.

Moved by Commissioner Caen, seconded by Commissioner Normandy, to continue Item 16 to the Call of the Chair; passed (4-0) unanimously.

LEASES AND PERMITS

On recommendation by President Makras, Commissioner Normandy moved, seconded by Commissioner Cook to adopt Items 17 and 18 as consent items; passed (4-0) unanimously. Commissioner Werbe was excused.

17. Resolution No. 98-0088: Authorizing the General Manager of Public Utilities to execute a lease with Moshe Morry Shatzki dba Express Gasoline and Auto Dealz, for approximately 5,700 sq. ft. of PUC land located on a portion of Parcel 2003(6) of Bay Division Pipelines No. 1 and 2 right of way in Menlo Park, California for vehicle storage at an annual rental rate of \$6,000.
18. Resolution No. 98-0089: Authorizing the General Manager of Public Utilities to execute a lease with Stomper Company, Inc. for approximately .44 acres of PUC land located on a portion of Parcel 1254(6) of Bay Division Pipelines No. 1 and 2 right of way in Newark, California, for storage purposes at an annual rental rate of \$5,856.

Note: Commissioner Werbe returned at 2:55 p.m.

CONSTRUCTION CONTRACTS

On recommendation by Commissioner Werbe, Commissioner Normandy moved, seconded by Commissioner Cook to adopt Items 19, 20, 21, 22, and 23 as consent items; passed (5-0) unanimously.

19. Resolution No. 98-0090: Approving the final plans and specifications for San Francisco Water Department Contract WD-2232, 8-Inch Ductile Iron Main Installation in Polk Street from Broadway to Filbert Street; Clay Street to Pacific Avenue; Turk Street to Ellis Street; McAllister Street to Golden Gate Avenue and Fell Street to Grove Street; authorizing advertisement for bids; and authorizing the General Manager of Public Utilities to award the contract to the lowest responsive and responsible bidder.
20. Resolution No. 98-0091: Approving the final plans and specifications for San Francisco Water Department Contract WD-2226, 6 & 8-Inch Ductile Iron Main Installation in Gough Street between Golden Gate Avenue and Haight Street; and authorizing advertisement for bids.
21. Resolution No. 98-0092: Approving the final plans and specifications for San Francisco Water Department Contract WD-2233, 12-Inch Ductile Iron Feeder Main Installation in Pacific Avenue between Fillmore Street and Van Ness Avenue; and authorizing advertisement for bids.
22. Resolution No. 98-0093: Approving the final plans and specifications for San Francisco Water Department Contract WD-2242, Thomas Shaft Chlorination Facility Improvement, Phase 1, Emergency Disinfection Station; and authorizing advertisement for bids and transfer of funds.
23. Resolution No. 98-0094: Approving the final plans and specifications for San Francisco Water Department Contract WD-2247, Bay Division Pipelines No. 1 and 2, Timber Trestle Repairs - Contract 4 of 5; and authorizing advertisement for bids.

24. Awarding the San Francisco Water Department Contract WD-2223, Supervisory Control and Data Acquisition (SCADA) System.

Moved by Commissioner Werbe, seconded by Commissioner Normandy, to adopt Item 24; passed (5-0) unanimously.

Resolution No. 98-0095: Awarding the San Francisco Water Department Contract WD-2223, Supervisory Control and Data Acquisition (SCADA) System, in the amount of \$10,542,055 to Transdyn Controls, Inc./Cresci Electric, Inc., JV.

PROFESSIONAL SERVICE CONTRACTS

25. Authorizing the Manager of the Bureau of the System Planning and Regulatory Compliance to award a professional services agreement to Montgomery Watson/AGS, Inc./Structus Joint Venture to perform engineering services for the Sunol Valley Water Treatment Plant (SVWTP) Improvement Project for a contract amount not to exceed \$5,819,000 over two years and to allocate \$343,000 to the existing engineering as-needed contract to fund the optional items identified in the SVWTP Improvement Project Scope of Work.

Moved by Commissioner Makras, seconded by Commissioner Cook, to continue Item 25 to the call of the Chair; passed (5-0) unanimously.

Note: Commissioner Werbe was excused at 3:30 p.m.

26. Awarding a professional services contract to Uribe and Associates to develop and implement pollution prevention strategies.

Moved by Commissioner Normandy, seconded by Commissioner Caen, to adopt Item 26; passed (4-0) unanimously.

Resolution No. 98-0096: Authorizing the Manager of the Bureau of Environmental Regulation and Management to negotiate and award a professional services contract to Uribe and Associates to develop and implement pollution prevention strategies with a contract amount not to exceed \$50,000 in FY 1997-98 and a total contract value not to exceed \$300,000 over three years.

27. Authorizing Amendment No. 7 to the agreement with Westin Engineering Inc..

President Makras and Commissioner Caen expressed concerns about the contractor being retained for a long period. Mr. Cockburn explained that it is normal practice to keep the design contractor during the construction phase of a project.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 27; passed (3-1). President Makras voted No.

Resolution No. 98-0097: Authorizing the Manager of the Utilities Engineering Bureau to execute Amendment No. 7 to the agreement with Westin Engineering Inc. to provide engineering services during the construction of the San Francisco Water Supervisory Control and Data Acquisition (SCADA) System; increasing the agreement limit by an amount not to exceed \$1,672,720 and extending the term by two years to June 30, 2000.

Note: Commissioner Werbe returned at 3:35 p.m.

28. Authorizing the General Manager of Public Utilities to amend the professional services agreement with Public Affairs Management, Inc.

Moved by Commissioner Normandy, seconded by Commissioner Caen, to adopt Item 28; passed (5-0) unanimously.

Resolution No. 98-0098: Authorizing the General Manager of Public Utilities to amend the professional services agreement with Public Affairs Management, Inc. to finalize the Watershed Planning Project and perform as needed public relations tasks for a total contract amount not to exceed \$40,000.

29. Authorizing Amendment No. 2 to as-needed environmental consulting contracts with Baseline Environmental, Camp, Dresser McKee, and the Tetra Tech/Olivia Chen Joint Venture.

President Makras suggested widening the scope of participants for "as-needed" contracts. He recommended amending the resolution to increase the contract funding by an additional \$600,000 for six months and rebid the contract when the contract expires.

Moved by Commissioner Makras, seconded by Commissioner Caen, to adopt Item 29 as amended; passed (5-0) unanimously.

Resolution No. 98-0099: Authorizing the Manager of the Bureau of Environmental Regulation and Management to execute Amendment No. 2 to each as-needed environmental consulting contracts with Baseline Environmental, Camp, Dresser McKee, and the Tetra Tech/Olivia Chen Joint Venture restoring the total potential expenditure under the three contracts to an amount not to exceed \$2,600,000.

The Public Utilities Commission took the agenda out of order and discussed the Closed Session agenda first:

CLOSED SESSION

35. Public Comments on matters to be discussed in Closed Session.

Regarding Item 39, James Fang, President of the Bay Area Rapid Transit District Board of Directors, requested the Commission to approve the licensing agreement, and the encroachment permit for BART to gain access to the City's property.

36. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to assert the attorney-client privilege; passed (5-0) unanimously.

The Public Utilities Commission met in Closed Session from 3:45 p.m. to 7:00 p.m. to discuss the following matters:

37. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Defendant
Regarding the Alemany Pump Station Electrical Improvement Project.

Resolution No. 98-0100: Approving the negotiated settlement, Contract Modification No. 1; and the final payment to the contractor, Kingston-Cresci, AJV.

38. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Hefter v. City and County of San Francisco

No action was taken.

39. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Muni right of way, South San Francisco

Parties Negotiating: CCSF - Dowd/Sullivan

Lessee: Bay Area Rapid Transit District

Under Negotiation: Terms and Conditions

No action was taken.

40. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Bay Bridge Pump Station

Parties Negotiating: CCSF - Dowd/Sullivan

Contracting Agency: CalTrans

Under Negotiation: Terms and Conditions

No action was taken.

41. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant

Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.

Parties Negotiating: Nelson/Lymburn/Thompson/Malamut
City of Pleasanton

Under Negotiations: Terms and Conditions

No action was taken.

Note: Commissioner Werbe was excused at 6:20 p.m.

42. Conference with Legal Counsel - Pursuant to Government Section 54956.9(a):

- Existing Litigation:
- 1) Bay Delta Hearings before the State Water Resources Control Board.
 - 2) Electric Restructuring Hearings before the California Public Utilities Commission.
 - 3) Electric Restructuring Hearings before the Federal Energy Regulatory Commission.

No action was taken.

43. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: State Water Resources Control Board

Item 43 was removed from the agenda.

The Public Utilities Commission reconvened in an open session.

44. Announcement following Closed Session.

Romaine A. Boldridge, Commission Secretary, announced the actions taken during the Closed Session.

45. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Normandy, not to disclose the discussion during the Closed Session; passed (4-0) unanimously.

The Commission resumed discussion of the Regular Agenda.

REGULAR AGENDA

On recommendation by President Makras, Commissioner Normandy moved, Commissioner Cook seconded to adopt Items Number 30 (amended), 31, 32, 33, and 34 as consent items; passed (4-0) unanimously.

30. Resolution No. 98-0101: Authorizing the General Manager of Public Utilities to continue an existing relationship with Duane, Morris and Heckscher LLP to provide legal services related to water and power rights; extending the term of the contract to June 30, 1999 and increasing the contract funding by \$900,000 for a contract total not to exceed \$1,344,793.
31. Resolution No. 98-0102: Authorizing the General Manager of Public Utilities to continue an existing relationship with R.M. Hairston Company to provide power resource planning services; increasing the contract funding by \$100,000 for a contract total not to exceed \$150,000.
32. Resolution No. 98-0103: Authorizing the General Manager of Public Utilities to continue an existing relationship with HMM Resources, Inc. (formerly Hansen, McQuat, & Hamrin, Inc.) to provide power planning services; increasing the contract funding by \$250,000 for a contract total not to exceed \$400,000.
33. Resolution No. 98-0104: Authorizing the General Manager of Public Utilities to continue an existing relationship with Daniel B. Steiner, Consulting Engineer to provide legal services related to water and power rights increasing the contract funding by \$175,000 for a contract total not to exceed \$1,623,000; and extending the term of the contract to June 30, 1999.
34. Resolution No. 98-0105: Authorizing the General Manager of Public Utilities to continue an existing relationship with Ronald Yoshiyama to provide consulting services related to biological issues; extending the term of the contract to August 31, 1999 and increasing the contract funding by \$20,000 for a contract total not to exceed \$96,000.

Thereupon, the meeting was adjourned: 7:05 P.M.

Romaine A. Boldridge
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

DOCUMENTS DEPT.

APR 27 1998

SAN FRANCISCO
PUBLIC LIBRARY

SPECIAL MEETING

To be held in conjunction with the 1:00 P.M. Regular Meeting

April 28, 1998

1:00 P.M.

Room 402

1155 Market Street, Fourth Floor

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

For information contact the Commission Secretary at 554-3165

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Know your rights under the Sunshine Ordinance

(Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call

FOLLOWING ITEM NO. 7 ON THE REGULAR AGENDA.

3. Public Comments

Patricia Stillman - 8 mins.

RESUME REGULAR MEETING

CLOSED SESSION

(To be held jointly with Closed Session on Regular Agenda)

FOLLOWING ITEM NO. 36 ON THE REGULAR AGENDA

4. Public Comments on matters to be discussed in Closed Session.
5. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

6. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):
(Berliner)

Anticipated Litigation: California State Public Utilities Commission

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

7. Announcement following Closed Session.
8. Motion regarding whether to disclose the discussions during Closed Session.
9. Authorizing the General Manager of Public Utilities to execute a Revocable Permit with the San Francisco Bay Area Rapid Transit District for use of PUC land in San Mateo County commonly referred to as the "former Muni right of way" as well as a portion of Parcels 21 and 24 of San Mateo County lands in Colma and South San Francisco for access, stockpiling, and certain pre-construction and construction activities relating to SFBART's SFO Airport Extension Project. (Dowd)

ADJOURNMENT

MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

DOCUMENTS DEPT.

JUL 01 1998

SAN FRANCISCO
PUBLIC LIBRARY

SPECIAL MEETING

Held in Conjunction with the 1:00 P.M. Regular Meeting

April 28, 1998

1:00 P.M.

Room 402

1155 Market Street, Fourth Floor

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

This meeting was held in conjunction with the 1:00 P.M. Regular Meeting.

1. Call to Order: 1:05 P.M.
2. Roll Call: Present - President Victor G. Makras, Vice President Ann Moller Caen, Commissioner E. Dennis Normandy

Commissioner Werbe and Commissioner Cook arrived at 1:06 p.m.

3. Public Comments

Patricia Stillman, President, Save our Sunol, and Co-Chairperson of Sunol/SFPUC Working Group, urged the Commission to reconsider Alternative "S" in the Preferred Watershed Alternative Management Plan and hold a meeting in Sunol before the Commission makes a decision.

CLOSED SESSION

4. Public Comments on matters to be discussed in Closed Session.

There were none.

5. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to assert the attorney-client privilege regarding the matter listed under Closed Session; passed (5-0) unanimously.

The Public Utilities Commission discussed the following matter in conjunction with the Closed Session Agenda listed in the 1:00 p.m. Regular Meeting Agenda wherein the Commission met in Closed Session from 3:45 p.m. to 7:00 p.m.

Commissioner Werbe was excused at 6:20 p.m.

6. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: California State Public Utilities Commission

No action taken.

The Public Utilities Commission reconvened in open session.

7. Announcement following Closed Session.

Romaine A. Boldridge, Commission Secretary, announced that no action was taken regarding Item 6.

8. Motion regarding whether to disclose the discussions during Closed Session.

Commissioner Cook moved, seconded by Commissioner Normandy not to disclose the discussion during the Closed Session; passed (4-0) unanimously.

9. Authorizing a Revocable Permit with the San Francisco Bay Area Rapid Transit District relating to SFBART's SFO Airport Extension Project.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 9; passed (4-0) unanimously.

Resolution No. 98-0106: Authorizing the General Manager of Public Utilities to execute a Revocable Permit with the San Francisco Bay Area Rapid Transit District (BART) for use of PUC land in San Mateo County commonly referred to as the "former Muni right of way" as well as a portion of Parcels 21 and 24 of San Mateo County lands in Colma and South San Francisco for construction access, staging and laydown for both construction of underground subway facilities and realignment of Colma Creek in connection with the BART/SFO Extension Project.

Thereupon, the meeting was adjourned:

7:05 P.M.

Romaine A. Boldridge
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

May 8, 1998
1:00 P.M.

Room 402
1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

MAY 07 1998

SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

3. To consider selection of a partner to negotiate with for financing and other actions in the event that the City should determine to purchase the Hunter's Point and Potrero Power plants.
(Klein)

ADJOURNMENT

City and County of San Francisco
Public Utilities Commission
1155 Market Street, 4th Floor
San Francisco, CA 94103

#41
Main Public Library
Government Information Center
100 Larkin Street, 5th Floor

MINUTES

PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

May 8, 1998
1:00 P.M.
Room 402
1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

JUL 01 1998

SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

1. Call to Order: 1:07 P.M.
2. Roll Call: Present - President Victor G. Makras, Vice President Ann Moller Caen, Commissioner E. Dennis Normandy, Commissioner Robert K. Werbe, Commissioner Frank L. Cook
3. To consider selection of a partner to negotiate with for financing and other actions in the event that the City should determine to purchase the Hunter's Point and Potrero Power plants.

Mr. Lawrence T. Klein, General Manager of Hetch Hetchy Water & Power, commented about the process of selecting and negotiating with a partner that would provide financial guarantees should the City decide to purchase the Hunters Point and the Potrero power plants. He stated that once a partner was decided staff would return to the Commission to request approval of the agreement. He noted that if the City purchases the plants, there would be an integrated study of power options for the City of San Francisco including replacing the existing power plants, increasing transmission, or replacing them with smaller power plants.

The two proposers, Enron Capital and Trade Corporation and CMS Energy Corporation/Wellhead Electric Company, Inc. gave a presentation regarding their respective company's organization and relative experience in operating and maintaining power plants.

President Makras asked the following questions to each proposer: 1) what was their estimated rate of return?; 2) would they be willing to work with the City in developing and implementing a long term electric supply?; 3) would they conduct a study of alternatives for reducing emissions?; 4) would they conduct a study to implement solutions to increase service reliability at the San Francisco Airport?; 5) would they assume all financial, marketing and operating risks associated with operating the existing plants?; 6) would they provide the financial guarantee required by PG&E?; 7) would they allow a 50/50 partnership once they recouped their investment and received their rate of return?; and 8) what was their estimated value of the plant.

Enron Capital & Trade Corporation

Mr. Peter Evans, Director for Business Development for Enron, San Francisco Office responded to questions asked by President Makras. He noted that their company was committed to move forward and develop a workable solution that would address the concerns of the community.

Mr. Evans did not identify a figure for the rate of return; however, he stated that Enron bases their rate of return upon equity investment and other risks surrounding a project. He said Enron would work with the City and the community in developing and implementing a long term electric supply. They would conduct a study of alternatives for reducing emissions and implement solutions for increasing service reliability at the airport. They would be willing to assume all financial, marketing and operating risks of operating the two plants. They would provide the financial guarantee required by PG&E. They estimated the value of the plants to be zero.

CMS/Wellhead

Hal Dittmer, President of Wellhead Electric Company, and Lanny Waguespack, Direct of CMS Energy Corporation Western Business Development responded to the questions asked by President Makras.

Mr. Waguespack stated that the rate of return CMS/Wellhead is looking for is within \$13 to \$17 million range. They are open to a 60/40 arrangement with the City getting 60% share; however, a 50/50 share aligns their interests better. They estimated the value of the plants to be between \$50-\$65 Million. They are willing to develop and implement a long term electric supply, increase electric reliability at the airport, provide the financial guarantee required by PG&E, and assume all financial, marketing and operating risks associated with the purchase of the two power plants.

Commissioner Normandy asked the two proposers to address the issues related to the expected rate of return, ratepayers protection, and the environmental impact of the power plants. Mr. Waguespack responded that their company is conscious of environmental protection. With respect to ratepayer protection, he does not foresee the City feeding the deal or taking monies out of water revenues to feed the power loss' bucket.

Mr. Evans stated that they did not believe that there are any direct financial risks to the City. Funding for the two existing plants will be provided through fees paid by users of the transmission system and ultimately pass on to ratepayers.

Alex Lantsberg, representing the Southeast Alliance for Economic Justice (SAEJ) asked what steps are they taking to work with the community. Both companies responded that they would be bringing the community into the process so that they will be a part of the input process.

Mr. Klein noted that the two proposers have signed onto the basic principles that the City will not be at risk, that the Hunters Point plant should be shut down and any interim operation will be at or below historical emissions. They also signed onto identical Memorandums of Understanding with regard to Phase II.

President Makras asked the proposers to rate the financial risk factor from one to 100 for the City if they were to become the City's partner. Both Enron and CMS/Wellhead said none. President Makras asked if they were willing to pay an annual fee or a bonus to the City, and if so, how much would it be within a range. Mr. Evans of Enron answered \$0-5 million while CMS responded \$1-5 million.

President Makras recommended going into Closed Session before the Commission takes action on this item.

CLOSED SESSION

4. Public Comments on matters to be discussed in Closed Session.

There were none.

5. Motion on whether to assert the attorney-client privilege regarding the matter listed below as Conference with Legal Counsel.

By common consent, the Commission asserted the attorney-client privilege regarding the matter listed below as Conference with Legal Counsel.

The Public Utilities Commission met in Closed Session from 3:25 p.m. to 4:25 p.m. to discuss the following matters:

6. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: California State Public Utilities Commission

No action was taken.

The Public Utilities Commission reconvened in an open session.

7. Announcement following Closed Session.

President Makras announced the actions taken during the Closed Session.

8. Motion regarding whether to disclose the discussions during Closed Session.

The Commission decided by common consent not to disclose the discussion during the Closed Session.

The Commission resumed discussion of Item No. 3.

President Makras directed staff to negotiate with both Enron and CMS/Wellhead and for the two companies to submit a complete business plan that addresses the economic, the environmental and the operational concerns of the Commission. He stated that he was concerned about the rate of return and the upfront payment. He also wanted to be assured that the needs of the City with respect to power supply and reduction of emissions of pollutants were going to be addressed. He stated that both companies offered unique and different proposals in their written and verbal presentations. He said he wanted to see a business plan that the Commission can use to best weigh who is the best partner for the City. He moved to adopt the resolution presented by staff with an amendment in the first resolved clause to include both Enron and CMS/Wellhead as the parties staff would be negotiating with and to delete the last resolved clause.

Moved by President Makras, seconded by Commissioner Caen to adopt Item 3 as amended; passed (5-0) unanimously.

Resolution No. 98-0107: Directing staff to enter into negotiations with CMS/ Energy Corp./Wellhead Electric Co., Inc., as Joint Venture, and Enron Capital & Trade Corp. to arrive at a business plan that the Commission can use as basis for selection of a partner.

Thereupon, the meeting was adjourned: 4:30 P.M.

Romaine A. Boldridge
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

May 12, 1998
1:00 P.M.
Room 402
1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

MAY 09 1998

SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call 923-6142.

The following services are available on request 48 hours prior to the meeting: except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

REGULAR BUSINESS

9. Public Hearing - To consider the adoption of revised Schedules of Rates and Charges for water service and water supplied by the San Francisco Water Enterprise to its retail and wholesale customers including municipal accounts, and miscellaneous fees and charges for various permits and services provided by the San Francisco Water Enterprise.
(Proposed for continuance to May 26, 1998.) (Laws)
10. Public Hearing - To consider the adoption of a revised Schedule of Rates and Charges for sewerage service provided by the San Francisco Clean Water Enterprise to its customers within and outside the City and County of San Francisco. **(Proposed for continuance to May 26, 1998.)** (Laws)
11. Presentation of an overview of the Public Utilities Commission Water Resource Policy, Planning and Opportunities. (Continued from the meeting of April 28, 1998.) 10 mins. (Williams)
12. Authorizing the General Manager of Public Utilities to request the Controller to transfer \$320,000 from "Salaries" to "Services of Other Departments" within the City Distribution Division's budget. (Continued from the meeting of April 28, 1998.) (Flores)
13. Approving the development of a commercial paper program to implement the capital improvement program for the Public Utilities Commission; and authorizing the General Manager to negotiate and execute contracts with Lehman Brothers/Charles A. Bell Securities and Goldman, Sachs/Lam Securities for three years to provide underwriter services for an amount not to exceed \$100,000 annually. (Carmichael)
14. Authorizing the General Manager of Public Utilities to establish an escrow account to support the City's application to the California Energy Commission for renewable resource subsidies for two existing City projects and to accept the subsidies if the City's application is accepted. (Klein)
15. Authorizing the Manager of the Customer Service Bureau to prepare a Request for Proposal for services of a collection agency to assist in the collection of delinquent accounts; and to consider payment options for the services of a contractor. (Mullane)

REGULAR (Continued)

16. Approving the transfer of \$25,000 from the PUC Comprehensive Communications Program budget to an existing public affairs multi-year contract to fund an expended public opinion survey and other communications projects. (Continued from the meeting of April 28, 1998.) (Dayonot)
17. To consider the selection of a PUC logo. (Dayonot)

LEASES AND PERMITS

18. Authorizing the General Manager of Public Utilities to execute an amendment to the Revocable Permit, and a License Agreement with the San Francisco Bay Area Rapid Transit District for use of PUC land in San Mateo County commonly referred to as the "former Muni right of way" as well as a portion of Parcels 21 and 24 of San Mateo County lands in Colma and South San Francisco for construction, access, stockpiling, and certain pre-construction activities relating to BART's SFO Airport Extension Project. (Dowd)
19. Authorizing the General Manager of Public Utilities to execute a lease with Wallace R. Anker dba Priest Ranch, for approximately 46 acres of PUC land located on a portion of Hetch Hetchy Parcel Nos. 268 and 272 in Big Oak Flat, California, for horse grazing at a monthly rental rate of \$150.00. (Dowd)

CONSTRUCTION CONTRACTS

Advertise

20. Approving the final plans and specification for San Francisco Water Department Contract WD-2263, Pave Various Water Department roads in Alameda County; and authorizing advertisement for bids. (Cockburn)
21. Approving the final plans and specification for San Francisco Water Department Contract WD-2264, Security Fence Upgrade in San Mateo County; and authorizing advertisement for bids. (Cockburn)

CONSTRUCTION CONTRACTS (Continued)

22. Approving the final plans and specification for Utilities Engineering Bureau Contract No. CW-116, 33rd Avenue/Lyon Street/Molimo Drive Sewer Replacement; and authorizing advertisement for bids. (Cockburn)
23. Rejecting bids submitted for Contract No. CW-107, Bush/Kearny/Post/Sutter Streets Sewer Replacement; and authorizing re-advertisement for bids. (Cockburn)

Award

24. Awarding the Utilities Engineering Bureau Contract No. CW-103, Eleventh Street Sewer Replacement, in the amount of \$188,095 to Alpine Construction. (Cockburn)
25. Rescinding the award of Utilities Engineering Bureau Contract No. CW-105, Broderick/Fell/Sutter Streets Sewer Replacement, to Willie Electric Co., Inc. and awarding the contract to the second lowest bidder, K. J. Woods Construction Inc. in the amount of \$298,000. (Cockburn)
26. Awarding the Utilities Engineering Bureau Contract No. CW-110, Davis/Kearny/Francisco Streets Sewer Replacement, in the amount of \$241,547, Golden Pacific Construction, Inc. (Cockburn)
27. Awarding the Utilities Engineering Bureau Contract No. CW-124, Dore/Valencia/Clinton Park Sewer Replacement, in the amount of \$326,860 to the lowest bidder, Alpine Construction. (Cockburn)

PROFESSIONAL SERVICE CONTRACTS

Award

28. Authorizing the Manager of the Bureau of the System Planning and Regulatory Compliance to award a professional services agreement to Montgomery Watson/AGS, Inc./Structus Joint Venture to perform engineering services for the Sunol Valley Water Treatment Plant (SVWTP) Improvement Project for a contract amount not to exceed \$5,819,000 over two years and to allocate \$343,000 to the existing engineering as-needed contract to fund the optional items identified in the SVWTP Improvement Project Scope of Work. (Continued from the meeting of April 28, 1998.) 15 mins. (Leonard)

Amend

29. Authorizing the General Manager of Public Utilities to negotiate and execute the second amendment to the agreement with Brown, Vence and Associates to provide as-needed energy engineering services, increasing the contract funding by \$120,000 for a contract total not to exceed \$810,000. (Klein)

CLOSED SESSION

30. Public Comments on matters to be discussed in Closed Session.
31. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

32. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating: Nelson/Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiations: Terms and Conditions

33. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: 10 United Nations Plaza
1453 Mission Street
1390 Market Street
1145 Market Street
1155 Market Street
and City owned and City leased space
Parties Negotiating: CCSF-DeLucchi/Dunn
Lessor: Various
Under Negotiations: Terms and Conditions

34. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a): (Milstein)

Existing Litigation: Hefter v. City and County of San Francisco

35. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Muni right of way, South San Francisco
Parties Negotiating: CCSF - Dowd/Sullivan
Lessee: Bay Area Rapid Transit District
Under Negotiation: Terms and Conditions

36. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):
(Roddy/Medbery)

Anticipated Litigation: As Defendant
Regarding Calaveras Reservoir Abatement

37. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):
(Berliner)

Anticipated Litigation: California State Public Utilities Commission

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

38. Announcement following Closed Session.

39. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

City and County of San Francisco
Public Utilities Commission
1155 Market Street, 4th Floor
San Francisco, CA 94103

#41
Main Public Library
Government Information Center
100 Larkin Street, 5th Floor

MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

May 12, 1998
1:00 P.M.
Room 402
1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

JUL 21 1998

SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

Vice President Ann Moller Caen presided.

1. Call to Order: 1:07 p.m.

2. Roll Call: Present - Vice President Ann Moller Caen, Commissioner E. Dennis Normandy, Commissioner Robert K. Werbe

Commissioner Frank L. Cook arrived at 1:10 p.m.

President Victor G. Makras arrived at 2:30 p.m.

3. Approval of Minutes

Moved by Commissioner Normandy, seconded by Commissioner Werbe, to approve the Minutes of the Special Meeting of April 7, 1998; passed (3-0) unanimously.

4. Communications

No action was taken.

5. Introduction of Old/Ongoing Business by Commissioners

Commissioner Normandy requested that staff revisit the issue of security measures for all PUC properties and make it a top priority.

6. Introduction of New Business by Commissioners

There was no new business introduced by Commissioners.

7. Report of the General Manager

Mr. Anson B. Moran, General Manager of Public Utilities, reported that Mr. Thomas Berliner, Utilities General Counsel, testified today at the House of Representative Sub Committee on Water and Power Resources on behalf of the Bay Delta Urban Coalition. The Coalition is a group of urban agencies coordinating state and federal issues relating to the bay delta.

Potential Purchase of Power Plants

Mr. Lawrence T. Klein, General Manager of Hetch Hetchy Water & Power, reported that he attended a community meeting in the Bayview District last night. Mr. Klein stated that the general concerns of the 50 people who attended the meeting were about health, economic and environmental issues. He said most of the comments received were supportive of the City taking control of the power plants. Mr. Klein indicated that staff conveyed PUC's commitment to maintain its communication with the public. He also conveyed that: (1) there would still be a need for a residual amount of generation in the City so we cannot get rid of all the power plants in San Francisco; (2) the PUC wants to eliminate the Hunters Point Power Plant; (3) it is feasible to take both power plants down and replace them with one new modern facility at Potrero; and (4) no decision could be reached until appropriate studies can be conducted, the CEQA process is completed, and an energy plan has been developed and adopted by the Public Utilities Commission, the Mayor and the Board of Supervisors.

Commissioner Cook arrived at 1:10 p.m.

Sewer Revenue Refunding Bonds

Mr. Steven Carmichael, Director, Bureau of Finance, stated that the sewer revenue bonds could be refunded late summer or early fall if the market is favorable. Staff is in the process of scheduling a meeting with rating agencies in June this year to determine the ratings on our bonds.

8. Public comments on matters not on today's agenda.

Ena Aguirre commented in support of finding a partner to assist in buying the Bayview Hunters Point and the Potrero power plants. She noted that the community at Hunters Point understands that the power plants might need to continue operating, may improve a little, and that the Hunters Point power plant would be shut down eventually.

Alex Lantsberg, Southeast Alliance for Economic Justice, commented in support of finding a partner and stated that the community understands what was going to happen with regard to the power plants.

Commissioner Normandy suggested expanding the community outreach program by making the agenda available on the Internet. Mr. Moran stated that the PUC agenda is posted on the PUC's Internet web page. The web site address is www.ci.sf.ca.us/puc/.

REGULAR

9. Public Hearing - To consider the adoption of revised Schedules of Rates and Charges for water service and water supplied by the San Francisco Water Enterprise to its retail and wholesale customers including municipal accounts, and miscellaneous fees and charges for various permits and services provided by the San Francisco Water Enterprise.

Moved by Commissioner Werbe, seconded by Commissioner Normandy, to continue Item 9 to the next regular PUC meeting scheduled for May 26, 1998; passed (4-0) unanimously.

10. Public Hearing - To consider the adoption of a revised Schedule of Rates and Charges for sewerage service provided by the San Francisco Clean Water Enterprise to its customers within and outside the City and County of San Francisco.

Moved by Commissioner Werbe, seconded by Commissioner Normandy, to continue Item 10 to the next regular PUC meeting scheduled for May 26, 1998; passed (4-0) unanimously.

11. Presentation of an overview of the Public Utilities Commission Water Resource Policy, Planning and Opportunities.

By common consent, the Commission continued Item 11 to the next regular PUC meeting scheduled for May 26, 1998.

12. Requesting the Controller to transfer \$320,000 from "Salaries" to "Services of Other Departments" within the City Distribution Division's budget.

Commissioner Cook asked why the street paving work was not included in the budget and why was there a surplus in salaries. Mr. Tony Flores, Manager of the City Distribution Division (CDD), responded that surplus money in "Salaries" is due to positions that have not been filled due to the lengthy process of hiring. He stated that the paving work was budgeted in CDD's 97-98 budget; however, additional funds were required to provide for additional costs associated with the shifting of the paving responsibility from CDD to the Department of Public Works. Mr. Moran stated that next year's budget would be sufficient for this task.

Moved by Commissioner Werbe, seconded by Commissioner Normandy, to adopt Item 12; passed (4-0) unanimously.

Resolution no. 98-0108: Authorizing the General Manager of Public Utilities to request the Controller to transfer \$320,000 from "Salaries" to "Services of Other Departments" within the City Distribution Division's budget.

13. Approving the development of a commercial paper program to implement the capital improvement program for the Public Utilities Commission.

Commissioner Caen asked about the consultant's compliance with the Domestic Partner Ordinance. Mr. Moran responded that the Lehman Brothers/Charles A. Bell Securities and Goldman Sachs/Lam Securities were the only two firms in the financial industry that came close to complying with the Domestic Partner Ordinance and that there was an exemption process that the two firms were able to meet in order to waive the compliance requirement.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Item 13; passed (4-0) unanimously.

Resolution No. 98-0109: Approving the development of a commercial paper program to implement the capital improvement program for the Public Utilities Commission; and authorizing the General Manager to negotiate and execute contracts with Lehman Brothers/Charles A. Bell Securities and Goldman, Sachs/Lam Securities for three years to provide underwriter services for an amount not to exceed \$100,000 annually.

14. Authorizing an escrow account to support the City's application to the California Energy Commission for renewable resource subsidies.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 14; passed (4-0) unanimously.

Resolution No. 98-0110: Authorizing the General Manager of Public Utilities to establish an escrow account to support the City's application to the California Energy Commission for renewable resource subsidies for two existing City projects and to accept the subsidies if the City's application is accepted.

15. Authorizing the Manager of the Customer Service Bureau to prepare a Request for Proposal for services of a collection agency to assist in the collection of delinquent accounts; and to consider payment options for the services of a contractor.

Item 15 was continued to the call of the Chair.

Discussion of Items 16 and 17 were postponed at the suggestion of the Chair until President Makras' arrival.

LEASES AND PERMITS

Item 18 was postponed until after the Closed Session.

19. Authorizing a lease with Wallace R. Anker dba Priest Ranch.

Moved by Commissioner Cook, seconded by Commissioner Werbe, to adopt Item 19; passed (4-0) unanimously.

Resolution No. 98-0113: Authorizing the General Manager of Public Utilities to execute a lease with Wallace R. Anker dba Priest Ranch, for approximately 46 acres of PUC land located on a portion of Hetch Hetchy Parcel Nos. 268 and 272 in Big Oak Flat, California, for horse grazing at a monthly rental rate of \$150.00.

CONSTRUCTION CONTRACTS

On recommendation by Vice President Caen, Commissioner Normandy moved, seconded by Commissioner Cook to adopt Items No. 20, 21, 22 and 23 as consent items; passed 4-0 unanimously.

20. Resolution No. 98-0114: Approving the final plans and specification for San Francisco Water Department Contract WD-2263, Pave Various Water Department roads in Alameda County; and authorizing advertisements for bids.
21. Resolution No. 98-0115: Approving the final plans and specification for San Francisco Water Department Contract WD-2264, Security Fence Upgrade in San Mateo County; and authorizing advertisements for bids.
22. Resolution No. 98-0116: Approving the final plans and specification for Utilities Engineering Bureau Contract No. CW-116, 33rd Avenue/Lyon Street/Molimo Drive Sewer Replacement; and authorizing advertisements for bids.
23. Resolution No. 98-0117: Rejecting bids submitted for Contract No. CW-107, Bush/Kearny/Post/Sutter Streets Sewer Replacement; and authorizing re-advertisement for bids.

On recommendation by Vice President Caen, Commissioner Normandy moved, seconded by Commissioner Cook to adopt Items No. 24, 25, 26 and 27 as consent items; passed 4-0 unanimously.

24. Resolution No. 98-0118: Awarding the Utilities Engineering Bureau Contract No. CW-103, Eleventh Street Sewer Replacement, in the amount of \$188,095 to Alpine Construction.
25. Resolution No. 98-0119: Rescinding the award of Utilities Engineering Bureau Contract No. CW-105, Broderick/Fell/Sutter Streets Sewer Replacement, to Willie Electric Co., Inc. and awarding the contract to the second lowest bidder, K. J. Woods Construction Inc. in the amount of \$298,000.
26. Resolution No. 98-0120: Awarding the Utilities Engineering Bureau Contract No. CW-110, Davis/Kearny/Francisco Streets Sewer Replacement, in the amount of \$241,547, Golden Pacific Construction, Inc.

27. Resolution No. 98-0121: Awarding the Utilities Engineering Bureau Contract No. CW-124, Dore/Valencia/Clinton Park Sewer Replacement, in the amount of \$326,860 to the lowest bidder, Alpine Construction.

President Makras arrived at 2:34 p.m.

PROFESSIONAL SERVICE CONTRACTS

28. Authorizing the Manager of the Bureau of System Planning and Regulatory Compliance to award a professional services agreement to Montgomery Watson/AGS, Inc./Structus Joint Venture to perform engineering services for the Sunol Valley Water Treatment Plant (SVWTP) Improvement Project for a contract amount not to exceed \$5,819,000 over two years and to allocate \$343,000 to the existing engineering as-needed contract to fund the optional items identified in the SVWTP Improvement Project Scope of Work.

President Makras and Vice President Caen expressed their concern about the changes in staff within the Montgomery Watson/AGS/Structus Joint Venture. They stated that the Request for Proposal should be reissued to establish a level playing field. Mr. Moran stated that rebidding would be a long process. Carolyn Olsen, Deputy General Manager for Operations, noted that rebidding the contract would take six months to a year from the time the RFP is issued to the time a notice to proceed is given. She stated that the delay would put the project into the winter season and it would be difficult from the operational point. She said the first phase really needs to move forward. She suggested doing the first phase of the project and fast tracking the second phase.

Arthur Jensen, General Manager of the Bay Area Water Users Association, commented in support of the staff's resolution. He stated that if the Commission decides to reissue the RFP, it should reissue the RFP to all proposers. He suggested that the Commission also clarify its policy regarding changes to a consultant's project team.

President Makras expressed concerns about the cost of the project and fairness to the bid process.

Commissioner Normandy suggested proceeding with Phase 1 quickly and rebidding Phase 2 among those firms who were in the loop to shorten the time frame. He suggested that staff explore this possibility. Mr. Joshua Milstein, Deputy City Attorney, advised that the RFP should be open to all prospective bidders.

Cheryl Davis, Manager of Water Supply & Treatment Division, recalled the turbidity event in 1995. She emphasized the need to proceed with improving the Sunol Treatment Plant as the plant is not reliable to deliver high quality water.

Commissioner Werbe moved to adopt the item as he was concerned with maintaining our water quality and meeting the requirements set by the Department of Health Services. Commissioner Cook seconded.

Mr. Emeric Kalman suggested postponing action on this project until after the June 2nd election. He said that State Proposition 224 may impact this project. Mr. Milstein stated that the proposition applies only to State contracts and that this project is revenue funded.

President Makras stated that he would like to reissue the RFP. He said that he would vote against the motion as he believed that contract negotiations failed when the consultant changed its staff and the scope was changed.

Commissioner Normandy suggested continuing the matter to the next meeting to allow staff to return to the Commission with an answer whether it is feasible to fast-track Phase I and resolve questions on Phase 2.

Commissioner Werbe and Commissioner Cook withdrew their motion.

Moved by Commissioner Werbe, seconded by Commissioner Cook to continue Item 28 to the next regular PUC meeting scheduled for May 26, 1998; passed (5-0) unanimously.

29. Authorizing an amendment to the agreement with Brown, Vence and Associates to provide as-needed energy engineering services.

Moved by Commissioner Werbe, seconded by Commissioner Normandy to adopt Item 29; passed (5-0) unanimously.

Resolution No. 98-0122: Authorizing the General Manager of Public Utilities to negotiate and execute the second amendment to the agreement with Brown, Vence and Associates to provide as-needed energy engineering services, increasing the contract funding by \$120,000 for a contract total not to exceed \$810,000.

16. Requesting a transfer of \$25,000 to fund an extended public opinion survey and other communications projects.

Vice President Caen expressed concern that the survey questions would have little return to the department. Commissioner Normandy suggested removing the public opinion survey from staff's recommendation. The cost of the survey is \$15,000.

Moved by Commissioner Makras, seconded by Commissioner Normandy, to adopt Item 16 as amended; passed (5-0) unanimously.

Resolution No. 98-0111: Approving the transfer of \$10,000 from the PUC Comprehensive Communications Program budget to an existing public affairs multi-year contract to fund other communications projects.

17. To consider the selection of a PUC logo.

President Makras suggested that staff return to the Commission and report on the format of the logo and the manner of its implementation.

Commissioner Normandy stated a manual would be prepared that sets the color and precise measurements of the logo and how it would be implemented. He indicated that the logo would be used initially on the PUC Newsletter and letterhead. It will not be applied on PUC vehicles at this time. He said staff would return to the Commission on how this could be phased in within the context of the PUC communications program. Commissioner Werbe suggested applying the new logo as we acquire new equipment.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Item 17; passed (5-0) unanimously.

Resolution No. 98-0112: Approving the basic conceptual design of a PUC logo; and directing staff to refine the design and develop an implementation plan.

CLOSED SESSION

30. Public Comments on matters to be discussed in Closed Session.

Fred Arnold, Manager of Property Acquisitions for the Bay Area Rapid Transit District (BART), commented on Item 35, and urged the Commission and staff to continue working on outstanding issues related to BART's request for approval for a license agreement and a revocable permit.

31. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to assert the attorney-client privilege; passed (5-0) unanimously.

The Public Utilities Commission met in Closed Session from 4:05 p.m. to 6:10 p.m. to discuss the following matters:

32. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating: Nelson/Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiations: Terms and Conditions

No action was taken.

33. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: 10 United Nations Plaza
1453 Mission Street
1390 Market Street
1145 Market Street
1155 Market Street
and City owned and City leased space
Parties Negotiating: CCSF-DeLucchi/Dunn
Lessor: Various
Under Negotiations: Terms and Conditions

No action was taken.

34. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Hefter v. City and County of San Francisco

Moved by Commissioner Cook, seconded by Commissioner Normandy, to approve a settlement in the case of Hefter v. City and County of San Francisco; passed (4-1). President Makras voted no.

Resolution No. 98-0123: Approving settlement of litigation in the case of Hefter, et.al. v. County of San Mateo, et.al.; declaring as surplus the unstable land beneath plaintiffs' residences; recommending that the land be quit claimed to Soil Engineering Construction, Inc.; authorizing issuance of a land use permit to Soil Engineering Construction, Inc.; and accepting conveyance of an easement from the County of San Mateo for the portion of the Crystal Springs Bypass pipeline lying beneath the County lands.

35. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Muni right of way, South San Francisco
Parties Negotiating: CCSF - Dowd/Sullivan
Lessee: Bay Area Rapid Transit District
Under Negotiation: Terms and Conditions

No action was taken.

36. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Defendant
Regarding Calaveras Reservoir Abatement

No action was taken.

37. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: California State Public Utilities Commission

No action was taken.

The Public Utilities Commission reconvened in an open session.

38. Announcement following Closed Session.

President Makras announced the actions taken during the Closed Session.

39. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Werbe, not to disclose the discussion during the Closed Session; passed (5-0) unanimously.

18. Authorizing the General Manager of Public Utilities to execute an amendment to the Revocable Permit, and a License Agreement with the San Francisco Bay Area Rapid Transit District for use of PUC land in San Mateo County commonly referred to as the "former Muni right of way" as well as a portion of Parcels 21 and 24 of San Mateo County lands in Colma and South San Francisco for construction, access, stockpiling, and certain pre-construction activities relating to BART's SFO Airport Extension Project.

Moved by Commissioner Makras, seconded by Commissioner Normandy, to continue Item 18 to the next regular PUC meeting scheduled for May 26, 1998; passed (5-0) unanimously.

Thereupon, the meeting was adjourned: 6:12 P.M.

Romaine A. Boldridge
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

May 22, 1998
2:00 P.M.

Room 402
1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

MAY 21 1998

SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call (415) 923-6142. Accessible curb side parking has been designated at points in the vicinity of the meeting location adjacent to the Main Library.

The following services are available on request 48 hours prior to the meeting, except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code § 16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

3. To consider selection of a partner to negotiate with for financing and other actions in the event that the City should determine to purchase the Hunter's Point and Potrero power plants.
(Klein)

CLOSED SESSION

4. Public Comments on matters to be discussed in Closed Session.
5. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

6. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):
(Berliner)

Anticipated Litigation: California State Public Utilities Commission

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

7. Announcement following Closed Session.
8. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

198
c. a. 1
3

MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

May 22, 1998
2:00 P.M.
Room 402
1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

JUL 21 1998

SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Lorna T. Navarro
ACTING SECRETARY

1. Call to Order: 2:08 P.M.
2. Roll Call: Present - President Victor G. Makras, Vice President Ann Moller Caen, Commissioner E. Dennis Normandy, Commissioner Frank L. Cook

Excused - Commissioner Robert K. Werbe

The Commission took the agenda out of order and discussed the items in Closed Session first.

CLOSED SESSION

4. Public Comments on matters to be discussed in Closed Session.

There were none.
5. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to assert the attorney-client privilege; passed (4-0) unanimously.

The Public Utilities Commission met in Closed Session from 2:10 p.m. to 2:55 p.m. to discuss the following:

6. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: California State Public Utilities Commission

No action was taken.

The Public Utilities Commission reconvened in an open session.

7. Announcement following Closed Session.

President Makras announced that no action was taken during the Closed Session.

8. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Normandy, seconded by Commissioner Cook, not to disclose the discussion during the Closed Session; passed (4-0) unanimously.

REGULAR

3. To consider selection of a partner to negotiate with for financing and other actions in the event that the City should determine to purchase the Hunter's Point and Potrero power plants.

Commissioner Cook suggested the following modifications to the resolution: 1) remove the word *back up* in the 5th Whereas; 2) correct the typographical error in the seventh Whereas; 3) change 1988 to 1998 in the seventh Whereas; 4) remove the ninth whereas entirely; and 5) remove the first resolved clause.

Commissioner Normandy suggested modifying the last resolved clause to read: *"RESOLVED, that staff is directed to enter into negotiations with CMS Energy Corporation/Wellhead Electric Co. with respect to a contract and an MOU with respect to follow-on activities should the city decides to purchase the power plants."*

Karen Pierce, Coordinator of the Bayview Hunters Point Health and Environmental Assessment Task Force, urged the PUC to buy the power plants and work with the community to close down the plants eventually.

Alex Lantsberg and Pauline Peale, members of the Southeast Alliance for Economic Justice; Emogene Hubbard; Ena Aguirre; and Corrine McDonald, a volunteer for Network for Elders, commended the Commission for taking an action toward the purchase of the power plants.

Moved by Commissioner Normandy, seconded by Commissioner Caen to adopt Item 3 as amended; passed (4-0) unanimously.

Resolution No. 98-0124: Directing staff to enter into negotiations with CMS Energy Corporation/Wellhead Electric Company, Inc., a joint venture, with respect to a contract and an MOU relative to follow-on activities should the City decide to purchase the power plants.

Thereupon, the meeting was adjourned: 3:10 P.M.

Lorna T. Navarro
Acting Secretary

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

May 26, 1998

1:00 P.M.

Room 402

1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

MAY 22 1998

SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

For information contact the Commission Secretary at (415) 554-3165.

Agendas and other information are available on the PUC web site:

www.ci.sf.ca.us/puc/

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call (415) 923-6142. Accessible curb side parking has been designated at points in the vicinity of the meeting location adjacent to the Main Library.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.** Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit. All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a. Association of Metropolitan Sewerage Agencies (AMSA) (Moran)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

REGULAR BUSINESS

9. Public Hearing - To consider the adoption of revised Schedules of Rates and Charges for water service and water supplied by the San Francisco Water Enterprise to its retail customers including municipal accounts, and miscellaneous fees and charges for various permits and services provided by the San Francisco Water Enterprise. (Continued from the meeting of May 12, 1998.) (Laws)
10. Public Hearing - To consider the adoption of revised Schedules of Rates to be charged by the San Francisco Water Enterprise for water service to suburban resale customers. (Continued from the meeting of May 12, 1998.) (Laws)
11. Public Hearing - To consider the adoption of a revised Schedule of Rates and Charges for sewerage service provided by the San Francisco Clean Water Enterprise to its customers within and outside the City and County of San Francisco. (Continued from the meeting of May 12, 1998.) (Laws)
12. Presentation of an overview of the Public Utilities Commission Water Resource Policy, Planning and Opportunities. (Continued from the meeting of May 12, 1998.) 10 mins. (Williams)
13. Modifying the current collection procedures and utilizing the Tax Collector's Bureau of Delinquent Collection in the collection of delinquent accounts for the Public Utilities Commission. (Mullane)
14. Requesting the Mayor to recommend to the Board of Supervisors a supplemental appropriation in the amount of \$4,907,500 to fund settlement of claims. (Carmichael)
15. Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission; and requesting the Board of Supervisors to approve the expenditure of funds for Utilities Engineering Bureau Contract No. CW-127, Hattie Street Emergency Sewer Replacement. (Hintze)

16. Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission; and requesting the Board of Supervisors to approve the expenditure of funds for Utilities Engineering Bureau Contract No. CW-136, Douglass Street Emergency Sewer Replacement. (Hintze)

LEASES AND PERMITS

17. Authorizing the General Manager of Public Utilities to execute an amendment to the Revocable Permit, and a License Agreement with the San Francisco Bay Area Rapid Transit District for use of PUC land in San Mateo County commonly referred to as the "former Muni right of way" as well as a portion of Parcels 21 and 24 of San Mateo County lands in Colma and South San Francisco for construction, access, stockpiling, and certain pre-construction activities relating to BART's SFO Airport Extension Project. (Continued from the meeting of May 12, 1998.) (Dowd)
18. Authorizing the General Manager of Public Utilities to request the Director of Property to submit legislation to the Board of Supervisors to accommodate the sale of 11, 240 square feet of PUC owned land located southeast of Highway 84 in Niles Canyon in the town of Sunol in Alameda County to the State of California Department of Transportation for realigning and retrofitting of the Alameda Creek Bridge. (Dowd)
19. Authorizing the General Manager of Public Utilities to execute a permit with the United States Golf Association (USGA) to install and maintain two pedestrian bridges, remove vegetation for pedestrian staging area and for a bus turnaround in conjunction with the USGA 1998 U.S. Open Golf Tournament to be held at the Olympic Golf Club in San Francisco. (Dowd)
20. Authorizing the General Manager of Public Utilities to execute a lease with Next Century Restaurants, Inc., dba Pisces Restaurant, for a portion of Parcel 23 of San Mateo County lands, former Muni right of way in Burlingame, California for access, parking and landscaping for an adjacent restaurant at a monthly rental rate of \$1,800.00. (Dowd)

CONSTRUCTION CONTRACTS

Advertise

21. Approving the final plans and specifications for UEB Contract No. WD-2133, Site Improvements at the SFWD Millbrae Headquarters (Millbrae Shops - Phase IIB); and authorizing advertisement for proposals. (Hintze)
22. Approving the final plans and specifications for UEB Contract No. WD-2248, City Distribution Division, Roof Replacement; and authorizing advertisement for proposals. (Hintze)

Award

23. Awarding Public Utilities Contract No. CW-133, Southeast Water Pollution Control Plant Building 200 Improvements, in the amount of \$2,055,825 to Homer J. Olsen Construction Co., Inc. (Hintze)

Amend

24. Approving Contract Modification No. 1 for Contract No. WD-2196, Harry Tracy Water Treatment Plant - Standby Air Backwash Blower System, with Schram Construction, Inc. in the amount of \$16,770 and extending the contract completion date from October 3, 1997 to May 1, 1998. (Hintze)

PROFESSIONAL SERVICE CONTRACTS

Award

25. Authorizing the Manager of the Bureau of the System Planning and Regulatory Compliance to award a professional services agreement to Montgomery Watson/AGS, Inc./Structus Joint Venture to perform engineering services for the Sunol Valley Water Treatment Plant (SVWTP) Improvement Project for a contract amount not to exceed \$5,819,000 over two years and to allocate \$343,000 to the existing engineering as-needed contract to fund the optional items identified in the SVWTP Improvement Project Scope of Work. (Continued from the meeting of May 12, 1998.) 15 mins. (Leonard)

Amend

26. Authorizing the General Manager of Public Utilities to continue an existing relationship with Hannaford Consulting, Inc. increasing the contract funding by \$200,000 for a contract total not to exceed \$400,000. (Klein)

Close

27. Accepting the completion of the Water Quality Planning Study Phase 5 performed by Camp Dresser & McKee, Inc. and releasing the 10% retention in the amount of \$94,993. (DeGraca)

CLOSED SESSION

28. Public Comments on matters to be discussed in Closed Session.
29. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

30. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c): (Emblidge)

Anticipated Litigation: As Defendant

31. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a): (Mahoney/Simpson)

Existing Litigation: Yee v. CCSF, Superior Court No. 980-740.

32. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Haase)

Existing Litigation: Regarding the claim of Anreas Christoforiois, Claim No. 98-03476.

33. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: 10 United Nations Plaza
1453 Mission Street
1390 Market Street
1145 Market Street
1155 Market Street
and City owned and City leased space
Parties Negotiating: CCSF-DeLucchi/Dunn
Lessor: Various
Under Negotiations: Terms and Conditions

34. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Milstein)

Existing Litigation: Hefter v. City and County of San Francisco.

35. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c)
and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating: Nelson/Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiations: Terms and Conditions

36. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property:	Muni right of way, South San Francisco
Parties Negotiating:	CCSF - Dowd/Sullivan
Lessee:	Bay Area Rapid Transit District
Under Negotiation:	Terms and Conditions

37. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):
(Roddy/Medbery)

Anticipated Litigation: As Defendant
Regarding Calaveras Reservoir Abatement

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

38. Announcement following Closed Session.

39. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

ADDENDUM TO PUC AGENDA

City and County of San Francisco
Public Utilities Commission

REGULAR MEETING

May 26, 1998
1:00 P.M.
1155 Market Street, 4th Floor
San Francisco, CA 94103

CLOSED SESSION

37. a. Conference with Legal Counsel - Pursuant to Government Code Section
54956.9(b)(c): (Berliner)

Anticipated Litigation: California State Public Utilities Commission

MINUTES

PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

May 26, 1998
1:00 P.M.
Room 402
1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

JUL 21 1998

SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Lorna T. Navarro
ACTING SECRETARY

1. Call to Order: 1:11 P.M.
2. Roll Call: Present - President Victor G. Makras, Vice President Ann Moller Caen, Commissioner E. Dennis Normandy, Commissioner Robert K. Werbe, Commissioner Frank L. Cook

President Makras took the agenda out of order and discussed the Closed Session agenda first.

CLOSED SESSION

28. Public Comments on matters to be discussed in Closed Session.

David Dimlich, President of Transdyn Controls, Inc., spoke on behalf of Transdyn/Cresci JV, the contractor awarded the Water SCADA Contract WD-2223. He urged the Commission to instruct staff to issue the notice to proceed so that Transdyn/Cresci can commence work. He stated that any delays would mean further violations of the DHS order to correct deficiencies to the Sunol facility, adversely impact operations at the site, increase PUC costs and cause increased health risks to the more than one million PUC customers.

Mark Linderman, Attorney for Transdyn/Cresci JV, urged the Commission to move forward with the SCADA contract as soon as possible. He stated that Transdyn/Cresci met the MBE/WBE participation goals.

Cliff Bowen, State Department of Health Services, expressed concerns over delays in improvements to the Sunol Water Treatment Plant and that continued delays would compromise staff's ability to meet DHS compliance requirements.

29. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Werbe, seconded by Commissioner Caen, to assert the attorney-client privilege regarding the matter listed under Closed Session; passed (5-0) unanimously.

The Public Utilities Commission met in Closed Session from 1:25 p.m. to 2:20 p.m. to discuss the following matters:

30. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Defendant

No action was taken.

31. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Yee v. CCSF, Superior Court No. 980-740.

Moved by Commissioner Werbe, seconded by Commissioner Normandy to approve a settlement for Item 31; passed (5-0) unanimously.

Resolution No. 98-0141: Approving settlement in the case of Yee v. CCSF, Superior Court No. 980-740.

32. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Regarding the claim of Anreas Christoforiois, Claim No. 98-03476.

No action was taken.

33. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: 10 United Nations Plaza
1453 Mission Street
1390 Market Street
1145 Market Street
1155 Market Street
and City owned and City leased space

Parties Negotiating: CCSF-DeLucchi/Dunn

Lessor: Various

Under Negotiations: Terms and Conditions

No action was taken.

34. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Hefter v. City and County of San Francisco.

No action was taken.

35. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating: Nelson/Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiations: Terms and Conditions

No action was taken.

36. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Muni right of way, South San Francisco
Parties Negotiating: CCSF - Dowd/Sullivan
Lessee: Bay Area Rapid Transit District
Under Negotiation: Terms and Conditions

No action was taken.

37. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Defendant
Regarding Calaveras Reservoir Abatement

No action was taken.

37.a. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: California State Public Utilities Commission

No action was taken.

THE PUBLIC UTILITIES COMMISSION RECONVENED IN OPEN SESSION.

38. Announcement following Closed Session.

President Makras announced the actions taken during the Closed Session.

39. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Normandy not to disclose the discussion during the Closed Session; passed (5-0) unanimously.

The Commission resumed discussion of the Regular Agenda.

3. Approval of Minutes

On motion by Commissioner Cook, seconded by Commissioner Caen, the Minutes of the Special Meeting of April 28, 1998 were approved (5-0) by unanimous vote.

4. Communications

No action was taken.

5. Introduction of Old/Ongoing Business by Commissioners

Commissioner Normandy stated he had asked the General Manager at the last meeting to bring forward as first priority the issues regarding security measures on the watershed and how that relates to our various watershed keepers. He wanted to know when the information would be received. Mr. Moran stated he will respond by memo with a firm date.

6. Introduction of New Business by Commissioners

Commissioner Caen requested that staff calendar an agenda item regarding overtime. Commissioner Cook requested that the item also include a review of the staffing policy. President Makras requested an agenda item to establish a policy regarding new positions which remain unfilled for a year.

7. Report of the General Manager

a. Association of Metropolitan Sewerage Agencies (AMSA)

Carolyn Olsen, Assistant General Manager for Operations, reported that Michele Pla was elected President of AMSA at their Annual Conference in Washington, D.C. Ms. Pla is the first woman to be elected President of AMSA. Ms. Olsen also reported that two years ago as a result of working with the federal government to come up with the national combined sewer overflow guidelines, Ms. Pla received the Al Gore Hammer award. President Makras directed staff to prepare a congratulatory letter from the Commission.

8. Public Comments

There were no public comments.

REGULAR BUSINESS

Items 9, 10 and 11: Public Hearing - To consider the adoption of revised Schedules of Rates and Charges for water and sewerage services and miscellaneous fees and charges.

Mr. Moran stated that the budget that was adopted by the Commission and forwarded to the Board of Supervisors for consideration did not require water or sewer rate increases for City ratepayers. If approved by the Board, it will be four years that the water rates will stay the same and three years that the sewer rates will remain the same.

Peter Beecher urged the Commission to begin a new analysis of the rate allocation system and adopt a policy upon which costs are recouped relative to the services rendered and costs expended.

Vice President Caen commended Mr. Bill Laws, staff and the Commission on four years of zero water rate increase and three years of zero sewer rate increase. President Makras instructed staff to calendar a presentation within the next 90 days on fire service options.

On recommendation by President Makras, Commissioner Caen moved, seconded by Commissioner Normandy to adopt Items 9, 10 and 11; passed (5-0) unanimously.

9. Resolution No. 98-0125: Adopting revised Schedules of Rates and Charges for water service and water supplied by the San Francisco Water Enterprise to its retail customers including municipal accounts, and miscellaneous fees and charges for various permits and services provided by the San Francisco Water Enterprise.
10. Resolution No. 98-0126: Adopting revised Schedules of Rates to be charged by the San Francisco Water Enterprise for water service to suburban resale customers.
11. Resolution No. 98-0127: Adopting revised Schedule of Rates and Charges for sewerage service provided by the San Francisco Clean Water Enterprise to its customers within and outside the City and County of San Francisco.
12. Presentation of an overview of the Public Utilities Commission Water Resource Policy, Planning and Opportunities. (Continued from the meeting of May 12, 1998)

Moved by President Makras, seconded by Commissioner Normandy to continue Item 12 to the call of the Chair.

13. Modifying the current PUC collection procedures.

Moved by Commissioner Normandy, seconded by Commissioner Cook to adopt Item 13, passed (5-0) unanimously.

Resolution No. 98-0128: Modifying the current collection procedures and utilizing the Tax Collector's Bureau of Delinquent Collection in the collection of delinquent accounts for the Public Utilities Commission.

14. Approving a supplemental appropriation in the amount of \$4,907,500 to fund the settlement of a claim.

Moved by Commissioner Cook, seconded by Commissioner Caen to adopt Item 14, passed (5-0) unanimously.

Resolution No. 98-0129: Approving a supplemental appropriation in the amount of \$4,907,500 to fund a claim resulting from the December 11, 1995 Seacliff emergency.

On recommendation by President Makras, Commissioner Normandy moved, seconded by Commissioner Caen to adopt Items 15 and 16 as consent items; passed (5-0) unanimously.

15. Resolution No. 98-0130: Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission and approving expenditure of funds for the emergency work to replace the structurally inadequate sewer on Hattie Street from Market Street to Corbett Street, Contract No. CW-127.
16. Resolution No. 98-0131: Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission and approving expenditure of funds for the emergency work to replace the structurally inadequate sewer on Douglas Street from 24th Street to 25th Street, Contract No. CW-136.

LEASES AND PERMITS

17. Authorizing the General Manager of Public Utilities to execute an amendment to the Revocable Permit, and a License Agreement with the San Francisco Bay Area Rapid Transit District for use of PUC land in San Mateo County commonly referred to as the "former Muni right of way" as well as a portion of Parcels 21 and 24 of San Mateo County lands in Colma and South San Francisco for construction, access, stockpiling, and certain preconstruction activities relating to BART's SFO Airport Extension Project.

Item 17 was removed from the agenda.

18. Requesting the Director of Property to accommodate the sale of 11, 240 square feet of PUC owned land located southeast of Highway 84 in Niles Canyon in the town of Sunol in Alameda County.

Commissioner Cook stated that he would prefer future agenda items dealing with sale of land show the actual value of the land.

Moved by Commissioner Werbe, seconded by Commissioner Caen to adopt Item 18, passed (5-0) unanimously.

Resolution No. 98-0132: Authorizing the General Manager of Public Utilities to request the Director of Property to submit legislation to the Board of Supervisors to accommodate the sale of 11, 240 square feet of PUC owned land located southeast of Highway 84 in Niles Canyon in the town of Sunol in Alameda County to the State of California Department of Transportation for realigning and retrofitting of the Alameda Creek Bridge.

19. Authorizing a permit with the United States Golf Association (USGA).

Moved by Commissioner Cook, seconded by Commissioner Normandy to adopt Item 19, passed (5-0) unanimously.

Resolution No. 98-0133: Authorizing the General Manager of Public Utilities to execute a permit with the United States Golf Association (USGA) to install and maintain two pedestrian bridges, remove vegetation for pedestrian staging area and for a bus turnaround in conjunction with the USGA 1998 U.S. Open Golf Tournament to be held at the Olympic Golf Club in San Francisco.

20. Authorizing a lease with Next Century Restaurants, Inc., dba Pisces Restaurant.

Moved by Commissioner Werbe, seconded by Commissioner Cook to adopt Item 20, passed (5-0) unanimously.

Resolution No. 98-0134: Authorizing the General Manager of Public Utilities to execute a lease with Next Century Restaurants, Inc., dba Pisces Restaurant, for a portion of Parcel 23 of San Mateo County lands, former Muni right of way in Burlingame, California for access, parking and landscaping for an adjacent restaurant at a monthly rental rate of \$1,800.00.

CONSTRUCTION CONTRACTS

Advertise

21. Approving the final plans and specifications for UEB Contract No. WD-2133, Site Improvements at the SFWD Millbrae Headquarters (Millbrae Shops - Phase IIB); and authorizing advertisement for proposals.

On recommendation by President Makras, Commissioner Werbe moved, seconded by Commissioner Cook to continue Item 21 to the call of the Chair.

22. Authorizing advertisement for bids for UEB Contract No. WD-2248, City Distribution Division, Roof Replacement.

Moved by Commissioner Werbe, seconded by Commissioner Caen to adopt Item 22, passed (5-0) unanimously.

Resolution No. 98-0135: Approving the final plans and specifications for UEB Contract No. WD-2248, City Distribution Division, Roof Replacement; and authorizing advertisement for proposals.

Award

23. Awarding Public Utilities Contract No. CW-133, Southeast Water Pollution Control Plant Building 200 Improvements to Homer J. Olsen Construction Co., Inc.

Moved by Commissioner Caen, seconded by Commissioner Normandy to adopt Item 23, passed (5-0) unanimously.

Resolution No. 98-0136: Awarding Public Utilities Contract No. CW-133, Southeast Water Pollution Control Plant Building 200 Improvements, in the amount of \$2,055,825 to Homer J. Olsen Construction Co., Inc.

Amend

24. Approving Contract Modification No. 1 for Contract No. WD-2196, Harry Tracy Water Treatment Plant - Standby Air Backwash Blower System.

At the request of Commissioner Werbe, President Makras directed staff to investigate the feasibility and cost-effectiveness of providing surge protectors for all major equipment and report back to the Commission.

Moved by Commissioner Werbe, seconded by Commissioner Cook to adopt Item 24, passed (5-0) unanimously.

Resolution No. 98-0137: Approving Contract Modification No. 1 for Contract No. WD-2196, Harry Tracy Water Treatment Plant - Standby Air Backwash Blower System, with Schram Construction, Inc. in the amount of \$16,770 and extending the contract completion date from October 3, 1997 to May 1, 1998.

PROFESSIONAL SERVICE CONTRACTS

Award

25. Awarding a professional services agreement to Montgomery Watson/AGS, Inc./Structus Joint Venture to perform engineering services for the Sunol Valley Water Treatment Plant (SVWTP) Improvement Project.

Anson Moran stated that staff had negotiated with the Joint Venture led by Montgomery Watson and modified the financial terms and the work scope to include issues that were of special importance to the Commission. Mr. Moran noted that at the last meeting the Commission also wanted to know the time lines required to rebid the contract and the possibility of segmenting the work. He stated that it takes five to seven months from issuance of a Request for Proposal to award of the contract and it takes a year to give the Notice to Proceed. In regard to concerns regarding the change in the consultant's key staff members, the consultant made every effort to come up with a much stronger and more capable replacement team.

Mr. Moran recommended the following options: (1) Direct the General Manager to execute the contract as recommended; (2) direct staff to negotiate changes to the contract if there are specific provisions that should be modified; or (3) segment the work.

President Makras and Commissioner Caen expressed concerns in approving the item because the second bidder was \$ 1 million less than Montgomery Watson. They indicated their support to move forward with the project but would like staff to find a way to reduce the cost.

Commissioner Normandy moved to proceed with Phase 1A and 2A for a maximum amount of \$3.7 million and negotiate the balance of the contract amount with the same firm and if the negotiations are not successful, rebid that part of the contract. Commissioner Cook seconded. President Makras stated that there will be no gain in negotiating just 25% of the total amount. He suggested negotiating for a 10% reduction in the hourly rates of the consultant's professional staff as recommended today.

Michael Finn from the California Department of Health Services (DHS) urged the Commission to move forward with this project as fast as possible. He was concerned

about the PUC meeting the DHS compliance schedule and the significant vulnerability of the Sunol Water Treatment Plant in terms of compliance and performance.

Commissioner Normandy moved, seconded by Commissioner Cook to amend the motion and authorize staff to negotiate a 10% reduction in the total dollar amount of the contract (\$5.8 million) through reduction in fees and hourly rates and not changing the scope of work; authorize the General Manager of Public Utilities to execute the contract; and that if negotiations with Montgomery Watson, AGS, Inc./Structus Joint Venture are unsuccessful, the General Manager can proceed to award the contract with the same scope of work to the second ranked proposer; passed (5-0) unanimously.

President Makras directed staff to send a memorandum to the Commission explaining how the 10% reduction would be achieved.

Resolution No. 98-0138: Authorizing the General Manager to award a professional services agreement to Montgomery Watson/AGS, Inc./Structus Joint Venture to perform engineering services for the Sunol Valley Water Treatment Plant (SVWTP) Improvement Project for a contract amount not to exceed \$5,237,000; if negotiations with the Montgomery Watson, AGS, Inc./Structus Joint Venture are unsuccessful, the General Manager can proceed to award the contract with the same scope of work for an amount not to exceed \$5,237,000 to the second ranked proposer; and to allocate \$343,000 to the existing engineering as-needed contract to fund the optional items identified in the SVWTP Improvement Project Scope of Work.

Amend

26. Authorizing continuance of an existing relationship with Hannaford Consulting, Inc.

Moved by Commissioner Normandy, seconded by Commissioner Caen to adopt Item 26, passed (5-0) unanimously.

Resolution No. 98-0139: Authorizing the General Manager of Public Utilities to continue an existing relationship with Hannaford Consulting, Inc. increasing the contract funding by \$200,000 for a contract total not to exceed \$400,000.

Close

27. Accepting the completion of the Water Quality Planning Study Phase 5 performed by Camp Dresser & McKee, Inc.

Moved by Commissioner Caen seconded by Commissioner Cook to adopt Item 27, passed (5-0) unanimously.

Resolution No. 98-0140: Accepting the completion of the Water Quality Planning Study Phase 5 performed by Camp Dresser & McKee, Inc. and releasing the 10% retention in the amount of \$94,993.

Thereupon, the meeting was adjourned: 3:58 P.M.

Lorna T. Navarro
Acting Secretary

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

June 2, 1998
5:00 P.M.

Room 402
1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

JUN 01 1998

SAN
PUBLIC LIBRARY

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

For information contact the Commission Secretary at 554-3165.
Agendas and other information are available on the PUC web site:
www.ci.sf.ca.us/puc/

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call (415) 923-6142. Accessible curb side parking has been designated at points in the vicinity of the meeting location adjacent to the Main Library.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

3. Consideration of two proposed agreements with CMS Energy Corporation/Wellhead Electric Company Inc. for Energy Development and Financial Guarantee for the purchase of PG&E's Hunters Point and Potrero power plants. (Park)

CLOSED SESSION

4. Public Comments on matters to be discussed in Closed Session.
5. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

6. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c): (Berliner)

Anticipated Litigation: California State Public Utilities Commission

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

7. Announcement following Closed Session.
8. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

June 2, 1998
5:00 P.M.
Room 402
1155 Market Street, Fourth Floor

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DOCUMENTS DEPT.

AUG 03 1998

SAN FRANCISCO
PUBLIC LIBRARY

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Jill R. Thompson
ACTING SECRETARY

1. Call to Order: 5:03 P.M.
2. Roll Call: Present - President Victor G. Makras, Commissioner Robert K. Werbe, Commissioner Frank L. Cook

Excused - Vice President Ann Moller Caen, Commissioner E. Dennis Normandy

President Makras announced that the Commission would go into Closed Session first.

CLOSED SESSION

4. Public Comments on matters to be discussed in Closed Session.

There were no public comments received.
5. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to assert the attorney-client privilege; passed (3-0) unanimously.

The Public Utilities Commission met in Closed Session from 5:05 p.m. to 6:25 p.m. to discuss the following:

6. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: California State Public Utilities Commission

No action was taken.

The Public Utilities Commission reconvened in an open session.

7. Announcement following Closed Session.

President Makras announced that no action was taken during the Closed Session.

8. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Werbe, seconded by Commissioner Cook, not to disclose the discussion during the Closed Session; passed (3-0) unanimously.

3. Consideration of two proposed agreements with CMS Energy Corporation/Wellhead Electric Company Inc. for Energy Development and Financial Guarantee for the purchase of PG&E's Hunters Point and Potrero power plants.

President Makras noted that a Temporary Restraining Order was filed by the State of California Public Utilities Commission (CPUC) this afternoon to stop the bid sale of PG&E power plants on Monday, June 8, 1998. He stated that the City PUC's position was to stop the bid sale and hope that PG&E would negotiate with the City as they have previously expressed to the Commission. He stated that if PG&E does not stop the bid sale, the City PUC intends to pursue all means available including Temporary Restraining Order and eminent domain proceeding to acquire both Hunters Point and Potrero power plants.

Commissioner Werbe expressed concern about the financial risks to the City of San Francisco in purchasing these plants. Mr. Tom Petco, attorney for CMS Energy, responded that as the City's partner, CMS/Wellhead is committed to further planning studies, develop an energy plan and evaluate future plans. Mr. Petco indicated that they have agreed to fund the purchase and they will take the business and financial risks without recourse to the City.

President Makras suggested proceeding with the agreement recommended by staff and approve it conceptually and have staff work with CMS to fine tune the details and language with respect to eminent domain and indemnity agreements suggested and to encompass the security the Commission wants for the interest of San Francisco and the commitment assured by CMS.

Moved by Commissioner Cook, seconded by Commissioner Werbe, to adopt Item 3; passed (3-0) unanimously.

Resolution No. 98-0142: Approving in concept the agreements with CMS Energy Corporation/Wellhead Electric Company, Inc. for Energy Development and Financial Guarantee for the purchase of PG&E's Hunters Point and Potrero power plants; and directing staff to return to the Commission at a future meeting with clarifying language relating to indemnification and eminent domain.

Thereupon, the meeting was adjourned:

6:40 P.M.

Jill R. Thompson
Acting Secretary

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

June 8, 1998

2:00 P.M.

Room 402
1155 Market Street, Fourth Floor

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DOCUMENTS DEPT.
JUN 05 1998
SAN FRANCISCO
PUBLIC LIBRARY

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

For information contact the Commission Secretary at 554-3165.
Agendas and other information are available on the PUC web site:
www.ci.sf.ca.us/puc/

ORDER OF BUSINESS

1. Call to Order
2. Roll Call

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

3. To consider action the Public Utilities Commission may take regarding the auction of the Hunters Point and Potrero Power Plants.

CLOSED SESSION

4. Public Comments on matters to be discussed in Closed Session.
5. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

6. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c): (Berliner)

Anticipated Litigation: California State Public Utilities Commission

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

7. Announcement following Closed Session.
8. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call (415) 923-6142. Accessible curb side parking has been designated at points in the vicinity of the meeting location adjacent to the Main Library.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

City and County of San Francisco
Public Utilities Commission
1155 Market Street, 4th Floor
San Francisco, CA 94103

F
82
3
8/98
Special
3

MINUTES
PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

June 8, 1998
2:00 P.M.
Room 402
1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

JUL 21 1998

SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

1. Call to Order: 2:05 P.M.
2. Roll Call: Present - President Victor G. Makras, Commissioner E. Dennis Normandy, Commissioner Robert K. Werbe, Commissioner Frank L. Cook
Excused - Vice President Ann Moller Caen

President Makras announced that the Commission will take the Closed Session agenda first.

CLOSED SESSION

4. Public Comments on matters to be discussed in Closed Session.

There were none.

5. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Normandy, seconded by Commissioner Werbe, to assert the attorney-client privilege; passed (3-0) unanimously.

Commissioner Cook arrived at 2:15 p.m.

The Public Utilities Commission met in Closed Session from 2:07 p.m. to 3:05 p.m. to discuss the following:

6. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: California State Public Utilities Commission

No action was taken.

The Public Utilities Commission reconvened in an open session.

7. Announcement following Closed Session.

President Makras announced that no action was taken during the Closed Session.

8. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Normandy, not to disclose the discussion during the Closed Session; passed (4-0) unanimously.

3. To consider the action the Public Utilities Commission may take regarding the auction of the Hunters Point and Potrero power plants.

President Makras emphasized his desire for PG&E to negotiate in good faith with the City as PG&E publicly promised they would if the City PUC pursues acquisition of the plants. He stated that the actions of the Commission are premised on the belief that acquiring the plants is the smartest way to proceed and invoking as much pressure as possible on PG&E to negotiate in good faith. All members of the Commission concurred with President Makras' statement.

Moved by Commissioner Cook, seconded by Commissioner Normandy to authorize the General Manager of Public Utilities to submit a Statement of Qualifications and Interest and an indicative offer to PG&E; passed 4-0 unanimously.

Resolution No. 98-0143: Authorizing the General Manager of the Public Utilities Commission to submit a Statement of Qualifications and Interest and an indicative offer to PG&E.

Thereupon, the meeting was adjourned: 3:07 P.M.

Romaine A. Boldridge
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

June 9, 1998
1:00 P.M.
Room 402
1155 Market Street, Fourth Floor

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

1st. Meeting, 6/5/98
DOCUMENTS DEPT.

JUN 8 1998
SAN FRANCISCO
PUBLIC LIBRARY

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station, United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surfadines 9 and 9X San Bruno, 19 Polk, Valencia, and 71 Haight Noriega. For information about MUNI accessible services call (415) 923-6142. Accessible parking has been designated at points in the vicinity of the meeting location adjacent to the Main Library.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Policy on Nondiscrimination on the Basis of Disability and Equal Employment Opportunity Statement

The Public Utilities Commission does not discriminate on the basis of disability in employment or in the admission and access to its programs or activities. Therese Madden, ADA Coordinator, 1155 Market Street, 8th Floor, has been designated to coordinate and carry out this agency's compliance with the non discrimination requirements of Title II of the Americans with Disabilities Act (ACT). Information concerning the provisions of the ADA, and the rights provided thereunder, are available from the ADA Coordinator.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your right under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.** Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit. All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a. Election
 - b. Waste Water Alternatives
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

REGULAR BUSINESS

9. Presentation of an overview of the Public Utilities Commission Water Resource Policy, Planning and Opportunities. (Continued from the meeting of May 26, 1998.) 10 mins. (Williams)
10. Directing the General Manager of Public Utilities to request the Department of City Planning to initiate environmental review of the City's acquisition of the Hunter's Point and/or Potrero Power Plants from Pacific Gas & Electric Company.
11. Consideration of two proposed agreements with CMS Energy Corporation/Wellhead Electric Company Inc. for Energy Development and Financial Guarantee for the purchase of PG&E's Hunters Point and Potrero power plants. (Park)
12. Authorizing then General Manager of Public Utilities to establish a letter of credit to support the City's application to the California Energy Commission for renewable resource subsidies for two existing City projects and to accept the subsidies if the City's application is accepted. (Carmichael)
13. Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission for emergency operations, repairs and upgrades associated with El Nino storms and requesting the Board of Supervisors to approve a supplemental appropriation for \$1,100,614 to fund the emergency work. (Hintze)

LEASES AND PERMITS

14. Authorizing the General Manager of Public Utilities to execute an amendment to the Revocable Permit with the San Francisco Bay Area Rapid Transit District for use of PUC land in San Mateo County commonly referred to as the "former Muni right of way" as well as a portion of Parcels 21 and 24 of San Mateo County lands in Colma and South San Francisco for construction, access, stockpiling, and certain pre-construction activities relating to BART's SFO Airport Extension Project. (Dowd)
15. Authorizing the General Manager of Public Utilities to execute a Revocable Permit with Pleasanton Unified School District, for approximately 11.2 acres of PUC land located on a portion of APN 94-6-1-20 and APN 94-5-3 of Alameda County lands, Pleasanton lands in Alameda County for environmental testing. (Dowd)

16. Authorizing the General Manager of Public Utilities to execute a lease with the San Francisco Community College District, for the use of the Southeast Community Facility at 1800 Oakdale Avenue in San Francisco (approximately 35,800 square feet) for City College of San Francisco classrooms and support facilities at an annual rental rate of \$166,824. (Dowd)
17. Authorizing the General Manager of Public Utilities to execute a lease with Esteban Colin, for approximately 2,149 sq. ft. of PUC land located on a portion of Parcel 2070 of Bay Division Pipeline Nos. 1 and 2 right of way in Redwood City for access, parking and storage at an annual rental rate of \$2,280.00. (Dowd)

CONSTRUCTION CONTRACTS

Advertise

18. Approving the final plans and specifications and authorizing advertisement for bids for UEB Contract No. CW-112, "6th / 8th / 43rd Avenues Sewer Replacement". (Hintze)
19. Approving the final plans and specifications and authorizing advertisement for bids for UEB Contract No. CW-143, "Cayuga Ave./Dolores St./ York St. Sewer Replacement". (Hintze)
20. Approving the final plans and specifications and authorizing advertisement for bids for UEB Contract No. CW-175, "Broad Street Sewer Replacement". (Hintze)
21. Rescinding the award of Utilities Engineering Bureau Contract CW-140, "Islais Creek Public Access Improvements", and to consider approving substitution of joint venture partner or authorizing readvertisement for bids as Contract CW-140R. (Hintze)

Award

22. Awarding Utilities Engineering Bureau Contract No. CW-116, "33rd Avenue/Lyon Street/ Molimo Drive Sewer Replacement" in the amount of \$276,435 to Shaw Pipeline. Inc. (Hintze)
23. Awarding Utilities Engineering Bureau Contract No. CW-121, "Pine/California/Delancey Streets Sewer Replacement" in the amount of \$443,740 to Harty Pipelines, Inc. (Hintze)

PROFESSIONAL SERVICE CONTRACTS

Award

24. Authorizing the Manager of Utilities Engineering Bureau to negotiate and execute a contract with The Water Reliability Partnership, a joint venture of CH2M Hill, Olivia Chen Consultants, EQE International and Montgomery Watson, to provide professional services on the PUC Facilities Vulnerability Program Phase IIA for a cost in the range of \$435,000 to \$465,000 over eight months (Hintze)

CLOSED SESSION

25. Public Comments on matters to be discussed in Closed Session.
26. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Milstein)

Existing Litigation: Hefter v. City and County of San Francisco.

27. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating: Nelson/Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiations: Terms and Conditions

28. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: 10 United Nations Plaza
1453 Mission Street
1390 Market Street
1145 Market Street
1155 Market Street
and City owned and City leased space
Parties Negotiating: CCSF-DeLucchi/Dunn
Lessor: Various
Under Negotiations: Terms and Conditions

29. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):
(Emblidge)

Anticipated Litigation: As Defendant

30. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Berliner/Haase)

Existing Litigation: Regarding the claim of Anreas Christoforiois, Claim No. 98-03476.

31. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Berliner/Abad)

Existing Litigation: Regarding Allstate Insurance, subrogee of Quentin Thompson, Claim No.
97 W 6026-2.

32. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Muni right of way, South San Francisco
Parties Negotiating: CCSF - Dowd/Sullivan
Lessee: Bay Area Rapid Transit District
Under Negotiation: Terms and Conditions

33. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):
(Roddy/Medbery)

Anticipated Litigation: As Defendant
Regarding Calaveras Reservoir Abatement

34. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):
(Berliner)

Anticipated Litigation: California State Public Utilities Commission

35. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property:	Phelan Avenue property owned by SFWD
Parties Negotiating:	CCSF - Dowd/Sullivan
Lessee:	City College of San Francisco
Under Negotiation:	Terms and Conditions

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

36. Announcement following Closed Session.

37. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

82
3
9/98
3

MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

DOCUMENTS DEPT.

JUL 21 1998

SAN FRANCISCO
PUBLIC LIBRARY

REGULAR MEETING

June 9, 1998
1:00 P.M.
Room 402
1155 Market Street, Fourth Floor

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

1. Call to Order: 1:08 P.M.
2. Roll Call: Present - President Victor G. Makras, Commissioner E. Dennis Normandy, Commissioner Robert K. Werbe, Commissioner Frank L. Cook

Excused - Vice President Ann Moller Caen
3. Approval of Minutes

There were none submitted.
4. Communications

No action was taken.
5. Introduction of Old/Ongoing Business by Commissioners

Regarding the Sunol quarry plans, Commissioner Normandy suggested developing creative solutions that meet PUC's fiscal objectives and provide protection to the town, the community and the Sunol Temple.
6. Introduction of New Business by Commissioners

Commissioner Normandy requested that staff look into the possibility of purchasing cardiopulmonary resuscitation (CPR) equipment and providing CPR training to employees.
7. Report of the General Manager

Employee Newsletter

Anson B. Moran, General Manager of Public Utilities, announced that staff published the first issue of *The Flow*, PUC's employee newsletter.

Power Plant

Mr. Moran reported that staff submitted a bid for the power plants as directed by the Commission. He stated that the CPUC granted a Temporary Restraining Order holding in place the auction of the Hunters Point and Potrero power plants. PG&E was allowed to accept bids but was prohibited to open them in any way. The CPUC will hear a motion filed by the City and the Southeast Alliance for Economic Justice (SAEJ) tomorrow at 2:00 p.m.

Mr. Moran clarified that contrary to some filings and press coverage that the City was offering a discounted price for the plants, the bid submitted by PUC was competitive and protective of PG&E shareholders and ratepayers.

Mr. Moran mentioned that a letter was sent by Mayor Brown to Morgan Stanley & Co., agent for the bid sale, expressing concerns that the bid process could frustrate the City's intent to operate the plant in a way that benefits the community. The letter also expressed the City's intent to obtain the plants, if not through the bid process, by any other legal means including eminent domain. He noted that scheduled on the agenda today was an item requesting approval to initiate an environmental review which will be necessary for the City to obtain those plants.

President Makras directed staff to calendar an item at the earliest possible date to show the course of acquiring the plant through eminent domain if the City was not the successful bidder.

7a. Election Results

Mr. Moran reported on the results of three propositions in the June 1998 election that are of specific interests to PUC. Proposition C which would restore the priority for repayment of bonds was not approved. Proposition D which gives authority to PUC to accept loans was approved. This proposition would save \$75 million worth of debt service on the Clean Water Program. Proposition H was approved. This proposition freezes rates for water and sewer at the current level until January 1, 2006.

7b. Wastewater alternatives

Mr. Moran reported that there has been an increasing call for a more comprehensive study for alternative wastewater treatment by the public. The Board of Supervisors asked PUC to do a comprehensive study of alternative forms of wastewater treatment. He stated that staff would be looking at this issue when they work on the revisions to the long range plan for the Clean Water Program.

Mr. Moran suggested scheduling one of the PUC meetings at the Southeast Community Center to give the community the opportunity to express their views to the Commission. The Commission agreed to schedule a meeting in August or September.

8. Public comments on matters that were not on today's agenda.

There were none.

REGULAR

9. Presentation of an overview of the Public Utilities Commission Water Resource Policy, Planning and Opportunities. (Continued from the meeting of May 26, 1998.)

Mary Williams, Project Manager, gave a presentation using electronic media. She discussed upcoming opportunities to develop and protect water supplies including recycled water and groundwater development. Those opportunities were: construction of recycled water treatment plant facilities at the Fleishhacker pool site near the San Francisco Zoo; invest in groundwater wells for potable production at Golden Gate Park and the Zoo; and establish terms and conditions for Lake Merced watershed leases to protect the groundwater supply from degradation.

10. Requesting the Department of City Planning to initiate environmental review of the City's acquisition of the Hunter's Point and/or Potrero Power Plants.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 10; passed (4-0) unanimously.

Resolution No. 98-0144: Directing the General Manager of Public Utilities to request the Department of City Planning to initiate environmental review of the City's acquisition of the Hunter's Point and/or Potrero Power Plants from Pacific Gas & Electric Company.

11. Consideration of two proposed agreements with CMS Energy Corporation/Wellhead Electric Company Inc. for Energy Development and Financial Guarantee for the purchase of PG&E's Hunters Point and Potrero power plants.

Item 11 was removed from the agenda.

12. Establishing a letter of credit to support the City's application to the California Energy Commission for renewable resource subsidies.

Moved by Commissioner Cook, seconded by Commissioner Werbe, to adopt Item 12; passed (4-0) unanimously.

Resolution No. 98-0145: Authorizing then General Manager of Public Utilities to establish a letter of credit to support the City's application to the California Energy Commission for renewable resource subsidies for two existing City projects and to accept the subsidies if the City's application is accepted.

13. Ratifying the Declaration of Emergency for emergency operations, repairs and upgrades associated with El Nino storms.

Moved by Commissioner Normandy, seconded by Commissioner Werbe, to adopt Item 13; passed (4-0) unanimously.

Resolution No. 98-0146: Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission for emergency operations, repairs and upgrades associated with El Nino storms and requesting the Board of Supervisors to approve a supplemental appropriation for \$1,100,614 to fund the emergency work.

LEASES AND PERMITS

Discussion of Items 14 and 15 were postponed until after the Closed session.

16. Authorizing a lease with the San Francisco Community College District, for the use of the Southeast Community Facility at 1800 Oakdale Avenue in San Francisco.

Moved by Commissioner Werbe, seconded by Commissioner Normandy, to adopt Item 16; passed (4-0) unanimously.

Resolution No. 98-0147: Authorizing the General Manager of Public Utilities to execute a lease with the San Francisco Community College District, for the use of the Southeast Community Facility at 1800 Oakdale Avenue in San Francisco (approximately 35,800 square feet) for City College of San Francisco classrooms and support facilities at an annual rental rate of \$166,824.

17. Authorizing a lease with Esteban Colin, for approximately 2,149 sq. ft. of PUC land for access, parking and storage.

Moved by Commissioner Werbe, seconded by Commissioner Normandy, to adopt Item 17; passed (4-0) unanimously.

Resolution No. 98-0148: Authorizing the General Manager of Public Utilities to execute a lease with Esteban Colin, for approximately 2,149 sq. ft. of PUC land located on a portion of Parcel 2070 of Bay Division Pipeline Nos. 1 and 2 right of way in Redwood City for access, parking and storage at an annual rental rate of \$2,280.00.

CONSTRUCTION CONTRACTS

Advertise

18. Authorizing advertisement for bids for UEB Contract No. CW-112, "6th / 8th / 43rd Avenues Sewer Replacement".

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Item 18; passed (4-0) unanimously.

Resolution No. 98-0149: Approving the final plans and specifications and authorizing advertisement for bids for UEB Contract No. CW-112, "6th / 8th / 43rd Avenues Sewer Replacement".

President Makras was excused at 1:52 p.m. Commissioner Cook presided.

19. Authorizing advertisement for bids for UEB Contract No. CW-143, "Cayuga Ave./Dolores St./ York St. Sewer Replacement".

Moved by Commissioner Normandy, seconded by Commissioner Werbe, to adopt Item 19; passed (3-0) unanimously.

Resolution No. 98-0150: Approving the final plans and specifications and authorizing advertisement for bids for UEB Contract No. CW-143, "Cayuga Ave./Dolores St./ York St. Sewer Replacement".

20. Authorizing advertisement for bids for UEB Contract No. CW-175, "Broad Street Sewer Replacement".

Moved by Commissioner Werbe, seconded by Commissioner Normandy, to adopt Item 20; passed (3-0) unanimously.

Resolution No. 98-0151: Approving the final plans and specifications and authorizing advertisement for bids for UEB Contract No. CW-175, "Broad Street Sewer Replacement".

21. Rescinding the award of Utilities Engineering Bureau Contract CW-140, "Islais Creek Public Access Improvements", and approving substitution of joint venture partner.

Moved by Commissioner Normandy, seconded by Commissioner Werbe, to adopt Item 21; passed (3-0) unanimously.

Resolution No. 98-0152: Rescinding the award of Utilities Engineering Bureau Contract CW-140, "Islais Creek Public Access Improvements", and approving substitution of joint venture partner.

Award

22. Awarding Utilities Engineering Bureau Contract No. CW-116.

Moved by Commissioner Normandy, seconded by Commissioner Werbe, to adopt Item 22; passed (3-0) unanimously.

Resolution No. 98-0153: Awarding Utilities Engineering Bureau Contract No. CW-116, "33rd Avenue/Lyon Street/ Molimo Drive Sewer Replacement" in the amount of \$276,435 to Shaw Pipeline, Inc.

23. Awarding Utilities Engineering Bureau Contract No. CW-121, Pine/California/Delancey Streets Sewer Replacement".

Moved by Commissioner Werbe, seconded by Commissioner Normandy, to adopt Item 23 ; passed (3-0) unanimously.

Resolution No. 98-0154: Awarding Utilities Engineering Bureau Contract No. CW-121, "Pine/California/Delancey Streets Sewer Replacement" in the amount of \$443,740 to Harty Pipelines, Inc.

PROFESSIONAL SERVICE CONTRACTS

Award

24. Authorizing a contract with The Water Reliability Partnership, a joint venture of CH2M Hill, Olivia Chen Consultants, EQE International and Montgomery Watson, to provide professional services on the PUC Facilities Vulnerability Program Phase IIA.

Art Jensen, General Manager of Bay Area Water Users Association, commented in support of the project.

Moved by Commissioner Werbe, seconded by Commissioner Normandy, to adopt Item 24 ; passed (3-0) unanimously.

Resolution No. 98-0155: Authorizing the Manager of Utilities Engineering Bureau to negotiate and execute a contract with The Water Reliability Partnership, a joint venture of CH2M Hill, Olivia Chen Consultants, EQE International and Montgomery Watson, to provide professional services on the PUC Facilities Vulnerability Program Phase IIA for a cost in the range of \$435,000 to \$465,000 over eight months.

CLOSED SESSION

President Makras returned at 1.57 p.m.

25. Public Comments on matters to be discussed in Closed Session.

Carol Cresci Colbert, owner of Cresci Electric, urged the Commission to proceed with the award of the contract to Transdyn.

David Dimlich urged the Commission to proceed with execution of the contract with Transdyn/Cresci as awarded by the Commission.

26. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to assert the attorney-client privilege; passed (4-0) unanimously.

The Public Utilities Commission met in Closed Session from 2:10 p.m. to 4:45 p.m. to discuss the following matters:

26.a. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Hefter v. City and County of San Francisco.

Moved by Commissioner Normandy, seconded by Commissioner Werbe, to adopt a settlement for Item 26.a.; passed 4-0 unanimously.

Resolution No. 98-0156: Recommending settlement of litigation; declaring 0.40 acres of unstable City land surplus; authorizing issuance of a temporary land use permit to Soil Engineering Construction, Inc.; requesting the Director of Property to process the conveyance of an easement at no cost from the County of San Mateo for portion of the Crystal Springs Bypass Pipeline lying beneath the County's Polhemus Road.

27. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating: Nelson/Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiations: Terms and Conditions

No action was taken.

28. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: 10 United Nations Plaza
1453 Mission Street
1390 Market Street
1145 Market Street
1155 Market Street
and City owned and City leased space
Parties Negotiating: CCSF-DeLucchi/Dunn
Lessor: Various
Under Negotiations: Terms and Conditions

No action was taken.

29. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Defendant

No action was taken.

President Makras was excused at 2:30 p.m. Commissioner Cook presided.

30. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Regarding the claim of Anreas Christoforois, Claim No. 98-03476.

Moved by Commissioner Werbe, seconded by Commissioner Normandy to approve a settlement for Item 30; passed (3-0) unanimously.

Resolution No. 98-0157: Approving a settlement in the case of Anreas Christoforois.

31. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Regarding Allstate Insurance, subrogee of Quentin Thompson, Claim No. 97 W 6026-2.

No action was taken.

President Makras returned at 2:40 p.m.

32. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Muni right of way, South San Francisco
Parties Negotiating: CCSF - Dowd/Sullivan
Lessee: Bay Area Rapid Transit District
Under Negotiation: Terms and Conditions

No action was taken.

33. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Defendant
Regarding Calaveras Reservoir Abatement

No action was taken.

34. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: California State Public Utilities Commission

No action was taken.

35. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Phelan Avenue property owned by SFWD
Parties Negotiating: CCSF - Dowd/Sullivan
Lessee: City College of San Francisco
Under Negotiation: Terms and Conditions

No action was taken.

Commissioner Werbe was excused at 4:15 p.m.

The Public Utilities Commission reconvened in an open session.

36. Announcement following Closed Session.

President Makras announced the actions taken during the Closed Session.

37. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Normandy, not to disclose the discussion during the Closed Session; passed (3-0) unanimously.

The Commission resumed discussion of Items 14 and 15.

14. Amending the Revocable Permit with the San Francisco Bay Area Rapid Transit District for use of PUC land in San Mateo County for construction, access, stockpiling, and certain pre-construction activities relating to BART's SFO Airport Extension Project.

Fred Arnold representing the Bay Area Rapid Transit District thanked the Commission for their support on this matter.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 14; passed (3-0) unanimously.

Resolution No. 98-0158: Authorizing the General Manager of Public Utilities to execute an amendment to the Revocable Permit with the San Francisco Bay Area Rapid Transit District previously approved by Resolution No. 98-0106 for use of PUC land in San Mateo County commonly referred to as the "former Muni right of way" as well as a portion of Parcels 21 and 24 of San Mateo County lands in Colma and South San Francisco for construction, access, stockpiling, and certain pre-construction activities relating to BART's SFO Airport Extension Project.

15. Authorizing a Revocable Permit with Pleasanton Unified School District, for approximately 11.2 acres of PUC land for environmental testing.

Moved by Commissioner Cook, seconded by Commissioner Normandy to adopt Item 15; passed (3-0) unanimously.

Resolution No. 98-0159: Authorizing the General Manager of Public Utilities to execute a Revocable Permit with Pleasanton Unified School District, for approximately 11.2 acres of PUC land located on a portion of APN 947-6-1-20 and APN947-5-3 of Alameda County lands, Pleasanton lands in Alameda County for environmental testing.

Thereupon, the meeting was adjourned: 4:50 P.M.

Romaine A. Boldridge
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

June 23, 1998
1:00 P.M.
Room 402

1155 Market Street, Fourth Floor

Noted 6/19/98
DOCUMENTS DEPT.

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

JUN 22 1998
SAN FRANCISCO
PUBLIC LIBRARY

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call (415) 923-6142. Accessible curb side parking has been designated at points in the vicinity of the meeting location adjacent to the Main Library.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Policy on Nondiscrimination on the Basis of Disability and Equal Employment Opportunity Statement

The Public Utilities Commission does not discriminate on the basis of disability in employment or in the admission and access to its programs or activities. Theresa Madden, ADA Coordinator, 1155 Market Street, 8th Floor, has been designated to coordinate and carry out this agency's compliance with the non discrimination requirements of Title II of the Americans with Disabilities Act (ACT). Information concerning the provisions of the ADA, and the rights provided thereunder, are available from the ADA Coordinator.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SI Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics>.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a. Report from the Citizens Advisory Committee regarding Wastewater Alternatives - 10 min. (Rebecca Evans)
 - b. Eva Jefferson Patterson Award from the Human Rights Commission. (Moran)
 - c. Budget Update (Moran)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

REGULAR BUSINESS

9. Establishing a policy to not budget for positions which have become surplus to the department's needs and establishing a procedure for implementation of the policy. (Moran)
10. Authorizing the General Manager of Public Utilities to enter into an Intergovernmental Personnel Assignment agreement to facilitate an employment by CalFed. (Moran)
11. Consideration of whether, when and in what manner the PUC should declare the Bernal property, near the town of Pleasanton, as surplus to its needs. (Moran)

LEASES AND PERMITS

12. Authorizing the General Manager of Public Utilities to execute a permit with the Big Oakflat-Groveland Unified School District, for use of the Moccasin Schoolhouse and adjacent grounds for an alternative education center on a portion of Hetch Hetchy Parcel No. 276-1d in Moccasin, Tuolumne County. (Dowd)
13. Authorizing the General Manager of Public Utilities to execute a Memorandum of Understanding and a Revocable Permit with the Department of Recreation and Parks, for use of certain portions of the Reis Tract for a mini park, the expansion of a mini park and for administering a child care parcel. (Dowd)

CONSTRUCTION CONTRACTS

Award

14. Awarding San Francisco Water Department Contract No. WD-2231, Sunol Valley Water Treatment Plant Standby Power Modification to Schram Construction Incorporated, in the amount of \$527,000. (Hintze)
15. Awarding Utilities Engineering Bureau Contract No. CW-117, Deming/Farnsworth O'Farrell Iron/Clayton Sewer Replacement to Shaw Pipeline, Inc., in the amount of \$306,565. (Hintze)

16. Awarding Utilities Engineering Bureau Contract No. CW-132, 2nd and 9th Streets Sewer Abandonment, to Shaw Pipeline, Inc. in the amount of \$117,000. (Hintze)
17. Awarding Utilities Engineering Bureau Contract No. CW-134, North Point Water Pollution Control Plant - Repair of Outfall Diffusers, to D'arcy & Harty Construction, Inc. in the amount of \$1,277,000. (Hintze)
18. Rescinding the award of San Francisco Water Department Contract WD-2223, Supervisory Control and Data Acquisition (SCADA) System, to Transdyn Controls, Inc./Cresci Electric, Inc., JV and rejecting all bids received for said contract. (Hintze)

Advertise

19. Authorizing bid call for San Francisco Water Department Contract WD-2223R, San Francisco Water Supervisory Control and Data Acquisition (SCADA) System. (Hintze)

Close

20. Accepting the work performed under Hetch Hetchy Contract No. HH-838, Holm Penstock Slope Stabilization; approving the final contract modification in the amount of \$36,711.85; and approving final payment in the amount of \$40,100 to the contractor, Engineered Soil Repairs, Inc. (Hintze)

PROFESSIONAL SERVICE CONTRACTS

Amend

21. Approving a modification to the professional services contract with Public Affairs Management related to PUC's Ten Year Capital Improvement Plan public education and outreach program, extending the contract period by 12 months. (Kubick)

CLOSED SESSION

22. Public Comments on matters to be discussed in Closed Session.
23. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

24. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating: Nelson/Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiations: Terms and Conditions

25. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Phelan Avenue property owned by SFWD
Parties Negotiating: CCSF - Dowd/Sullivan
Lessee: City College of San Francisco
Under Negotiation: Terms and Conditions

26. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Sunol lands
Parties Negotiating: Dowd
Lessee: Various
Under Negotiation: Price and Terms

27. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c);
(Berliner)

Anticipated Litigation: As Plaintiff

Regarding Eminent Domain of Hunters Point and Potrero Power
Plants.

28. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c);
(Berliner)

Anticipated Litigation: California State Public Utilities Commission

29. Public Employee Performance Evaluation (Pursuant to Government Code Section 54957)

Position: General Manager, Public Utilities

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

30. Announcement following Closed Session.

31. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

City and County of San Francisco
Public Utilities Commission
1155 Market Street, 4th Floor
San Francisco, CA 94103

#41
Main Public Library
Government Information Center
100 Larkin Street, 5th Floor

2
3
3/98
MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

**Willie L. Brown, Jr.
MAYOR**

REGULAR MEETING

**June 23, 1998
1:00 P.M.
Room 402
1155 Market Street, Fourth Floor**

COMMISSIONERS

**Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook**

DOCUMENTS DEPT.

AUG 03 1998

SAN FRANCISCO
PUBLIC LIBRARY

DEPARTMENTS

**Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program**

BUREAUS

**Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality**

**Anson B. Moran
GENERAL MANAGER**

**Romaine A. Boldridge
SECRETARY**

1. Call to Order: 1:10 P.M.
2. Roll Call: Present - President Victor G. Makras, Vice President Ann Moller Caen, Commissioner E. Dennis Normandy, Commissioner Robert K. Werbe, Commissioner Frank L. Cook

3. Approval of Minutes

Moved by Commissioner Caen, seconded by Commissioner Normandy, to approve the Minutes of the Regular Meeting of April 28, 1998, and the Minutes of the Special Meeting of May 8, 1998; passed (4-0) unanimously.

4. Communications

No action was taken.

5. Introduction of Old/Ongoing Business by Commissioners

No action was taken.

6. Introduction of New Business by Commissioners

Commissioner Caen suggested that staff explore the possibility of bottling Hetch Hetchy water and report their findings to the Commission at the next meeting. Commissioner Normandy suggested looking into the possibility of using facilities in Moccasin or Tuolumne County for the bottling plant to help generate jobs and foster economic development in that community.

Commissioner Frank L. Cook arrived at 1:17 p.m.

7. Report of the General Manager

- a. Report from the Citizens Advisory Committee regarding Wastewater Alternatives.

Rebecca Evans, Chair of Wastewater Citizens Advisory Committee and a member of the San Francisco Environment Commission, spoke in her own behalf, and urged the Commission to apply some of the wastewater alternatives

in upcoming projects such as the Lake Merced Project and the Mission Bay Development Project to solve any perceived problems that come with new developments. She suggested that the PUC decide on removing the Crosstown Tunnel recommendation from the master plan.

President Makras directed staff to draft a letter for both the President and the General Manager's signature advising proponents of the Crosstown Tunnel alternative of the Commission's intent to remove this alternative from the master plan. Commissioner Normandy suggested addressing this matter at the PUC meeting that will be held at the Southeast Community facility in August or September.

- b. Mr. Moran announced that the PUC was awarded the Eva Jefferson Patterson Award by the friends of the Human Rights Commission for the Best Performing Department in meeting MBE/WBE goals.

- c. Budget Update

Mr. Moran reported that PUC received recognition from the Board of Supervisors Finance Committee for the department's efforts in setting a budget at a zero rate increase. Supervisor Tang recognized PUC's work in addressing glass ceiling issues. Supervisor Newsom commended PUC for advancing user friendliness of telephone responses at the Customer Service Bureau.

Mr. Moran noted that the Board of Supervisors recommended not approving two personnel positions for reasons that these positions were not necessary. He said staff will be appearing tomorrow before the Finance Committee and would seek approval for these positions.

- d. Sunol Engineering Contract

Mr. Moran reported that Montgomery Watson proposed the utilization of a lump sum contract for the Sunol Valley Water Treatment Plant Improvement Project. He said in this type of contract, the contractor would be paid based upon individual deliverables comparable to what was requested in the bid process. Commissioner Caen expressed concerns whether a lump sum contract would represent the 10% discount the Commission requested. Mr. Moran assured the Commission that it represents a 10% discount and that staff would negotiate price if there are any changes in the scope of work. Commissioner Werbe stated that he did not want to keep renegotiating the price. Commissioner Normandy stated that he supported this plan as long as there is no reduction in scope and quality of work.

e. Power Plants

Mr. Moran reported that the California Public Utilities Commission (CPUC) denied PUC's request for a Temporary Restraining Order and instead invited the City to submit comments and mitigation measures regarding the operation of the power plants. He stated that staff is still proceeding on the presumption that the City would assume ownership of the Hunters Point and Potrero power plants. Mr. Thomas M. Berliner, Utilities General Counsel, stated that the City Attorney filed another pleading at CPUC so that the City could provide comments regarding alternatives for the disposition of the PG&E power plants and impose price and non price factors on the sale of the plants to protect the ratepayers.

8. Public Comments

Roger Chinn of Roger Chinn & Associates commented regarding Item 18 and urged the Commission not to rescind the award of Contract WD-2223, Supervisory Control and Data Acquisition System.

Paul Hessinger, Coalition for Better Wastewater Solutions, commended the Commission for taking action toward the purchase of the power plants.

REGULAR

9. Establishing a policy to not budget for positions which have become surplus to the department's needs and establishing a procedure for implementation of the policy.

Moved by President Makras, seconded by Commissioner Normandy, to continue Item 9 to the next regular PUC meeting; passed (5-0) unanimously.

10. Authorizing an Intergovernmental Personnel Assignment agreement to facilitate an employment by CalFed.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 10; passed (5-0) unanimously.

Resolution No. 98-0160: Authorizing the General Manager of Public Utilities to enter into an Intergovernmental Personnel Assignment agreement to facilitate an employment by CalFed.

Discussion of Item 11 was postponed until after the Closed Session.

LEASES AND PERMITS

12. Authorizing the General Manager of Public Utilities to execute a permit with the Big Oakflat-Groveland Unified School District, for use of the Moccasin Schoolhouse and adjacent grounds for an alternative education center on a portion of Hetch Hetchy Parcel No. 276-1d in Moccasin, Tuolumne County.

Commissioner Normandy moved, Commissioner Werbe seconded to adopt Item 12.

President Makras expressed concerns about the impact of the permit to PUC operations and the waiver of rental payment when the School District was getting funding from the State for the school.

Commissioner Normandy and Commissioner Werbe withdrew their motion. President Makras recommended continuance of the item so that staff can explore other options for revenue enhancement.

Item 12 was continued to the call of the Chair.

13. Authorizing a Memorandum of Understanding and a Revocable Permit with the Department of Recreation and Parks, for use of certain portions of the Reis Tract.

Bruce Williams from The Trust for Public Lands, and Salvador Velasco, a member of the Friends of Visitacion Valley Parks, commented in support of leasing the Reis Tract to the Department of Recreation and Parks for expansion of the mini park.

Commissioner Cook expressed concerns that the provisions of the MOU were too lenient that it would be difficult to monitor profits from the child care facility.

President Makras suggested modifying the MOU to include the following provisions: (1) the Child Care Facility is a portable structure and will be removed at the end of the nine-year lease; (2) there should be an assignment of funds earned by RecPark to come directly to PUC; and (3) an agreement to negotiate a fair market rent at the end of nine years. Mr. Dowd noted that he would need approval from the Recreation and Park Commission before he brings the MOU back to PUC for approval.

Moved by President Makras, seconded by Commissioner Cook, to adopt Item 13 as amended; passed (5-0) unanimously.

Resolution No. 98-0161: Authorizing the General Manager of Public Utilities to execute a Memorandum of Understanding and a Revocable Permit with the Department of Recreation and Parks, for use of certain portions of the Reis Tract for a mini park, the expansion of a mini park and for administering a child care parcel, provided certain amendments are incorporated in said MOU and reviewed by this Commission prior to its execution.

CONSTRUCTION CONTRACTS

Award

14. Awarding San Francisco Water Department Contract No. WD-2231.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 14; passed (5-0) unanimously.

Resolution No. 98-0162: Awarding San Francisco Water Department Contract No. WD-2231, Sunol Valley Water Treatment Plant Standby Power Modification to Schram Construction Incorporated, in the amount of \$527,000.

On recommendation by President Makras, Commissioner Cook moved, seconded by Commissioner Werbe, to adopt Items 15, 16, and 17 as consent items; passed (5-0) unanimously.

15. Resolution No. 98-0163: Awarding Utilities Engineering Bureau Contract No. CW-117, Deming/Farnsworth/O'Farrell/Iron/Clayton Sewer Replacement to Shaw Pipeline, Inc., in the amount of \$306,565.
16. Resolution No. 98-0164: Awarding Utilities Engineering Bureau Contract No. CW-132, 2nd and 9th Streets Sewer Abandonment, to Shaw Pipeline, Inc. in the amount of \$117,000.
17. Resolution No. 98-0165: Awarding Utilities Engineering Bureau Contract No. CW-134, North Point Water Pollution Control Plant - Repair of Outfall Diffusers, to D'arcy & Harty Construction, Inc. in the amount of \$1, 277,000.

18. Rescinding the award of San Francisco Water Department Contract WD-2223, Supervisory Control and Data Acquisition (SCADA) System.

Commissioner Werbe inquired why the lowest bidder, Troy's Contracting, was rejected when they have the highest bid preference and their bid was \$1 million less. Mr. Hintze, Acting Manager of the Utilities Engineering Bureau, stated that Troy's Contracting was rejected because they submitted a faulty bid bond. Mr. Thomas Berliner, Utilities General Counsel, explained that the bond covered only one party in the joint venture and a faulty bid bond is material to the bid process.

President Makras inquired why the second lowest bidder was also rejected. Mr. Hintze stated that SWK, JV (Kingston Constructors, Inc. /Stacey & Witbeck, Inc.) did not meet the MBE participation goal of 22%.

President Makras inquired about the reasons for reducing the MBE/WBE goals from 22% MBE and 7% WBE to 14% and 3%, respectively, when current bids exceed the new recommendations.

Gary Wong, Human Rights Commission Contract Compliance Officer, stated that the previous goals were maximized in terms of time to encourage more MBE/WBE participation. He said that he worked with the project manager. In looking at revised goals on this contract, he tried to maximize the potential, to be realistic on the availability of MBE/WBEs and determined that the appropriate goals would be 14% and 3%.

Mr. Moran stated that the project manager provides information regarding the work scope. HRC interprets the work scope as to what category it falls into and makes the determination and final calculation.

Commissioner Caen said that it was upsetting that HRC could come up with figures for a project and then shortly thereafter come up with something else.

The following individuals urged the Commission not to rescind the award of the contract: David Dimlich, President of Transdyn Control, Carol Cresci Colbert, owner of Cresci Electric, Bob Boardman of Transdyn Control, Millard Tong, and Jack Holmes, counsel for Transdyn Controls.

President Makras stated that he supports staff's recommendation as he sees a substantial economic advantage to the City in rebidding the contract. He expressed the opinion that there may have been an error in ruling out Bidder No. 1 due to faulty bid bond documents. He was also concerned with the differential in HRC's first and second recommendations for the contract's MBE/WBE participation goals.

Moved by President Makras, seconded by Commissioner Werbe, to adopt Item 18; passed (4-1). Commissioner Normandy voted no.

Resolution No. 98-0166: Rescinding the award of San Francisco Water Department Contract WD-2223, Supervisory Control and Data Acquisition (SCADA) System, to Transdyn Controls, Inc./Cresci Electric, Inc., JV and rejecting all bids received for said contract.

Advertise

19. Authorizing bid call for San Francisco Water Department Contract WD-2223R.

President Makras directed the General Manager to fast track the project and verify that HRC's recommendation on the MBE/WBE participation goals is properly documented. He said that as a policy direction, the Commission will work with HRC to come up with a better approach in calculating MBE/WBE participation goals.

Commissioner Caen requested a memorandum from the HRC representative regarding how he arrived at the original, 22% and 7%, and the revised 14% and 3% goals.

Mr. Moran requested authorization to include the prequalified SCADA vendor in the new bid at a minimum of 35% of the prime joint venture. Mr. Fonda Davidis, Project Manager, stated that it would be in the City's best interest to have direct contractual relationship with the SCADA vendor.

Arthur Jensen, General Manager of the Bay Area Water Users Association, requested a copy of the guidelines used by staff in evaluating bids.

Moved by President Makras, seconded by Commissioner Caen, to adopt Item 19 and authorize staff to include the SCADA vendor as a prime contractor; passed unanimously (5-0).

Resolution No. 98-0167: Authorizing bid call for San Francisco Water Department Contract WD-2223R, San Francisco Water Supervisory Control and Data Acquisition (SCADA) System.

Close

20. Accepting the work performed under Hetch Hetchy Contract No. HH-838, Holm Penstock Slope Stabilization.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 20; passed unanimously (5-0).

Resolution No. 98-0168: Accepting the work performed under Hetch Hetchy Contract No. HH-838, Holm Penstock Slope Stabilization; approving the final contract modification in the amount of \$36,711.85; and approving final payment in the amount of \$40,100 to the contractor, Engineered Soil Repairs, Inc.

PROFESSIONAL SERVICE CONTRACTS

Amend

21. Approving a modification to the professional services contract with Public Affairs Management.

Moved by Commissioner Normandy, seconded by Commissioner Caen, to adopt Item 21; passed unanimously (5-0).

Resolution No. 98-0169: Approving a modification to the professional services contract with Public Affairs Management related to PUC's Ten Year Capital Improvement Plan public education and outreach program, extending the contract period by 12 months.

CLOSED SESSION

22. Public Comments on matters to be discussed in Closed Session.

The following individuals commented regarding Item 28 and expressed their support in pursuing the acquisition of the Hunters Point and Potrero power plants by eminent domain: Alex Lantsberg of the Southeast Alliance Environmental Justice; Sarah Rock, representing Gray Panthers; Sophie Maxwell, Imogene Hubbard of SAEJ; Beth Parsons; Claudia Anderson; Mishwa Lee; Philip Ragozzino; and Ena Aguirre. Mr. Lantsberg and Ms. Aguirre also commented in support of removing the Crosstown Tunnel recommendation from the Master Plan.

23. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to assert the attorney-client privilege; passed (5-0) unanimously.

The Public Utilities Commission met in Closed Session from 4:00 p.m. to 5:20 p.m. to discuss the following matters:

24. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating: Nelson/Lyburn/Thompson/Malamut
City of Pleasanton
Under Negotiations: Terms and Conditions

No action was taken.

25. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Phelan Avenue property owned by SFWD
Parties Negotiating: CCSF - Dowd/Sullivan
Lessee: City College of San Francisco
Under Negotiation: Terms and Conditions

No action was taken.

26. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Sunol lands
Parties Negotiating: Dowd
Lessee: Various
Under Negotiation: Price and Terms

No action was taken.

27. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Plaintiff
Regarding Eminent Domain of Hunters Point and Potrero Power
Plants.

No action was taken.

28. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: California State Public Utilities Commission

No action was taken.

29. Public Employee Performance Evaluation (Pursuant to Government Code Section 54957)

Position: General Manager, Public Utilities

No action was taken.

Commissioner Normandy was excused at 4:55 p.m.

Commissioner Werbe was excused at 5:00 p.m.

The Public Utilities Commission reconvened in an open session.

30. Announcement following Closed Session.

President Makras announced the actions taken during the Closed Session.

31. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Caen, not to disclose the discussion during the Closed Session; passed (3-0) unanimously.

11. Consideration of whether, when and in what manner the PUC should declare the Bernal property, near the town of Pleasanton, as surplus to its needs.

Moved by Commissioner Makras, seconded by Commissioner Cook to continue Item 11 to the call of the Chair; passed (3-0) unanimously.

Thereupon, the meeting was adjourned: 5:25 P.M.

Romaine A. Boldridge
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

July 14, 1998
1:00 P.M.
Room 402

1155 Market Street, Fourth Floor

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

DOCUMENTS DEPT.

JUL 10 1998

SAN FRANCISCO
PUBLIC LIBRARY

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call (415) 923-6142. Accessible curb side parking has been designated at points in the vicinity of the meeting location adjacent to the Main Library.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

REGULAR BUSINESS

9. Establishing a policy to not budget for positions which have become surplus to the department's needs and establishing a procedure for implementation of the policy.
[Continued from the meeting of June 23, 1998.] (Moran)
10. Authorizing the Bureau of Energy Conservation to apply for, accept and expend \$70,000 of grant funds from the U.S. Department of Energy and the Urban Consortium Energy Task Force to support the City's energy management activities. (Klein)
11. Ratifying the Declaration of Emergency made by the President of Public Utilities and requesting the Board of Supervisors to approve the expenditure of funds for Contract No. CW-113, 5th Street/Shiple Avenue Emergency Sewer Repair. (Hintze)
12. Ratifying the Declaration of Emergency made by the President of Public Utilities and requesting the Board of Supervisors to approve the expenditure of funds for Contract No. CW-160, Buena Vista Terrace Emergency Sewer Replacement. (Hintze)

CONSTRUCTION CONTRACTS

Advertise

13. Approving the final plans and specifications and authorizing advertisement for bids for San Francisco Water Department Contract No. WD-2273, Metal Bin Type Retaining Wall for BDPL No. 2 at Edgewood Road; and authorizing the General Manager of Public Utilities to award the contract to the lowest responsive and responsible bidder. (Hintze)

Award

14. Awarding San Francisco Water Department Contract No. WD-2250 Sunol Plant Equipment Anchorage and Chemical Handling, to the lowest responsive bidder, Schram Construction, in the amount of \$4,350,250. (Hintze)
15. Awarding Utilities Engineering Bureau Contract No. CW-141, Oceanside Water Pollution Control Plant Grit Classifier Revision, in the amount of \$343,000 to the lone responsible and responsive bidder, Schram Construction Co. (Hintze)

PROFESSIONAL SERVICE CONTRACTS

Amend

16. Authorizing the General Manager of Public Utilities to execute a sixth amendment to the personal services contract with Bruce Lymburn for services in connection with negotiation of existing and new PUC leases; increasing the contract amount from \$465,000 to \$715,000 extending the term to December 31, 1999; and changing the scope of work to include the eventual sale of the Bernal Avenue Property. (Dowd)
17. Authorizing the Manager of Utilities Engineering Bureau to increase the spending authority for professional as-needed engineering services by \$3.2 million for the selected group of consultants to a total spending authority not to exceed \$6.4 million over two years. (Hintze)

CLOSED SESSION

18. Public Comments on matters to be discussed in Closed Session.
19. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO
DISCUSS THE FOLLOWING MATTERS:

20. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and
Conference with Real Property Negotiator - Pursuant to Government Code Section
54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on
Bernal Avenue in Alameda County.
Parties Negotiating: Nelson/Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiations: Terms and Conditions

21. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Bay Bridge Pump Station
Parties Negotiating: CCSF-Dowd/Sullivan
Contracting Agency: CalTrans
Under Negotiation: Terms and Conditions

22. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Phelan Avenue property owned by SFWD
Parties Negotiating: CCSF - Dowd/Sullivan
Lessee: City College of San Francisco
Under Negotiation: Terms and Conditions

23. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Sunol lands
Parties Negotiating: Dowd
Lessee: Various
Under Negotiation: Price and Terms

24. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Milstein)

Existing Litigation: Anderson v. City and County of San Francisco, San Joaquin
Superior Court No. CV004214.

25. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Simpson)

Existing Litigation: Yee v. City and County of San Francisco
Superior Court No. 980-740

26. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Wiley)

Existing Litigation: Debra Brewster v. City and County of San Francisco, San
Francisco Municipal Court No. 144067.

27. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Haase)

Existing Litigation: CSAA Subrogee for Colleen Airheart

28. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):
(Berliner)

Anticipated Litigation: As Defendant - 3 cases

29. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Berliner)

Existing Litigation: California State Public Utilities Commission - Hunters Point and
Potrero power plants.

30. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Berliner)

Existing Litigation: Bay Delta Hearings before the State Water Resources Control
Board.

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

31. Announcement following Closed Session.

32. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

City and County of San Francisco
Public Utilities Commission
1155 Market Street, 4th Floor
San Francisco, CA 94103

#41
Main Public Library
Government Information Center
100 Larkin Street, 5th Floor

CORRECTED

MINUTES

PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

July 14, 1998
1:00 P.M.
Room 402
1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

AUG 24 1998

SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Management Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

1. Call to Order: 1:00 P.M.
2. Roll Call: Present - President Victor G. Makras, Vice President Ann Moller Caen, Commissioner E. Dennis Normandy, Commissioner Robert K. Werbe, Commissioner Frank L. Cook

3. Approval of Minutes

Moved by Commissioner Caen, seconded by Commissioner Cook, to approve the Minutes for the following meeting dates; passed (5-0) unanimously:

- a) Regular Meeting of May 12, 1998
- b) Special Meeting of May 22, 1998
- c) Regular Meeting of May 26, 1998
- d) Special Meeting of June 2, 1998
- e) Special Meeting of June 8, 1998
- f) Regular Meeting of June 9, 1998

4. Communications

No action was taken.

5. Introduction of Old/Ongoing Business by Commissioners

Commissioner Normandy requested staff to calendar a progress report on the Sunol Water Temple restoration. President Makras directed staff to include in that report the amount of funds that are required to complete the project.

Commissioner Normandy requested staff to report and recommend how PUC's objectives regarding mining permits could be expanded not only to fiscal responsibilities, deliveries, and water storage but also provide adequate protection for the Sunol Temple and for the residents in the Sunol area.

6. Introduction of New Business by Commissioners

At Commissioner Caen's request, the Commission agreed to reschedule the regular PUC meetings of September 8 and 22 to September 15 and September 29. The Commission also agreed to hold the August 25, 1998 PUC meeting at the Southeast Community Facility at 1:00 p.m.

Commissioner Normandy requested staff to start a process to inventory and catalog Hetch Hetchy's historical records. Mr. Moran stated that historical records were being kept in Moccasin. However, he would initiate a process to preserve photographs and artifacts at Hetch Hetchy.

President Makras directed staff to pursue obtaining a registered trademark for Hetch Hetchy bottled water. Commissioner Normandy requested that staff provide the Commission with an overview of steps to be undertaken and keep the Commission informed of their progress.

President Makras noted about the letter received from the City of San Jose soliciting assistance in the operation of its municipal water system. He directed staff to report on the possibility of operating the City of San Jose's municipal water system.

President Makras announced that at the last Commission meeting the Commission evaluated the General Manager's performance. He said the Commission was very pleased with the General Manager's performance. He stated that he would like to see the PUC move toward a diversified organization and he expected the General Manager to fill the vacant positions in the department and reflect that diversity.

7. Report of the General Manager

Mr. Moran reported that the PUC was awarded two U.S. Environmental Protection Agency (USEPA) demonstration grants: one for a sewer gas utilization energy conversion facility at the Southeast Treatment Plant; and the other for an in line low head hydrogenerator on a Water Department's facility within an existing pipeline.

Mr. Moran requested the Commission's authorization to apply for a grant from the USEPA in the amount of \$120,000 for alternative technologies in wastewater treatment before the application period expires. Due to time constraints, an agenda item was not prepared. He asked the City Attorney whether it would be permissible to act on the matter subject to confirmation at the next regular meeting. Mr. Thomas Berliner, Utilities General Counsel, stated that in as much as the matter came up after the meeting notices were sent out and immediate action was required to take advantage of the grant, the Commission could take action on the matter provided that the Commission votes to hear the item and receives at least a 3/4 vote to do so. President Makras requested that the Counsel prepare a memo to the Commission stating the City Attorney's opinion on this matter.

Commissioner Werbe moved, seconded by Commissioner Cook to consider a matter that was not on the agenda; passed (5-0) unanimously.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt the following resolution; passed (5-0) unanimously.

Resolution No. 98-0170: Authorizing the General Manager of Public Utilities to apply, and expend \$120,000 from USEPA grant to implement alternative technologies for wastewater treatment.

8. Public comments on matters that were not on today's agenda.

There were none.

President Makras took the agenda out of order and discussed Item 29 of the Closed Session agenda.

CLOSED SESSION

29. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: California State Public Utilities Commission - Hunters Point and Potrero power plants.

President Makras invited comments from the public regarding Item 29. There were no comments received.

Commissioner Caen moved, seconded by Commissioner Cook, to assert the attorney-client privilege on Item 29; passed (5-0) unanimously.

The Commission went into Closed Session at 1:25 p.m. and reconvened in open session at 2:10 p.m. President Makras announced that no action was taken on Item 29.

Commissioner Normandy moved, Commissioner Cook seconded, not to disclose the discussions in Closed Session; passed (5-0) unanimously.

The Commission resumed discussion of the Regular Agenda.

REGULAR

9. Establishing a policy to not budget for positions which have become surplus to the department's needs and establishing a procedure for implementation of the policy.
[Continued from the meeting of June 23, 1998.]

Mr. Moran requested continuance of the item so that staff could review the policy in relation to the passing of Proposition H.

Arthur Jensen, General Manager of the Bay Area Water Users Association, commented in support of continuing Item 9. He encouraged staff to fill long term vacant positions and track the progress of hiring.

Moved by President Makras, seconded by Commissioner Caen, to continue Item 9 to the regular meeting of August 11, 1998; passed (5-0) unanimously.

10. Authorizing the Bureau of Energy Conservation to apply for, accept and expend grant funds from the U.S. Department of Energy and the Urban Consortium Energy Task Force.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 10; passed (5-0) unanimously.

Resolution No. 98-0171: Authorizing the Bureau of Energy Conservation to apply for, accept and expend \$70,000 of grant funds from the U.S. Department of Energy and the Urban Consortium Energy Task Force to support the City's energy management activities.

Commissioner Normandy moved, seconded by Commissioner Cook, to adopt Item Nos. 11 and 12 as consent items; passed (5-0) unanimously.

11. Resolution No. 98-0172: Ratifying the Declaration of Emergency made by the President of Public Utilities and requesting the Board of Supervisors to approve the expenditure of funds for Contract No. CW-113, 5th Street/Shipleigh Avenue Emergency Sewer Repair.
12. Resolution No. 98-0173: Ratifying the Declaration of Emergency made by the President of Public Utilities and requesting the Board of Supervisors to approve the expenditure of funds for Contract No. CW-160, Buena Vista Terrace Emergency Sewer Replacement.

CONSTRUCTION CONTRACTS

Advertise

13. Approving the final plans and specifications and authorizing advertisement for bids for San Francisco Water Department Contract No. WD-2273, Metal Bin Type Retaining Wall for BDPL No. 2 at Edgewood Road; and authorizing the General Manager of Public Utilities to award the contract to the lowest responsive and responsible bidder.

Item 13 was removed from the agenda.

Award

14. Awarding San Francisco Water Department Contract No. WD-2250 Sunol Plant Equipment Anchorage and Chemical Handling.

Moved by President Makras, seconded by Commissioner Normandy, to adopt Item 14; passed (5-0) unanimously.

Resolution No. 98-0174: Awarding San Francisco Water Department Contract No. WD-2250 Sunol Plant Equipment Anchorage and Chemical Handling, to the lowest responsive bidder, Schram Construction, in the amount of \$4,350,250.

15. Awarding Utilities Engineering Bureau Contract No. CW-141, Oceanside Water Pollution Control Plant Grit Classifier Revision.

Moved by President Normandy, seconded by Commissioner Werbe, to adopt Item 15; passed (5-0) unanimously.

Resolution No. 98-0175: Awarding Utilities Engineering Bureau Contract No. CW-141, Oceanside Water Pollution Control Plant Grit Classifier Revision, in the amount of \$343,000 to the lone responsible and responsive bidder, Schram Construction Co.

Discussion of Item 16 was postponed until after the Closed Session.

PROFESSIONAL SERVICE CONTRACTS

Amend

17. Authorizing the Manager of Utilities Engineering Bureau to increase the spending authority for professional as-needed engineering services.

President Makras expressed concerns that the negotiations on this contract have taken a long time. He directed staff to calendar an agenda item at the next PUC meeting to establish a policy for negotiating contracts, set a benchmark on the time allowed for negotiating, and instruct staff to return to the Commission for direction when they reach impasse.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 17; passed (5-0) unanimously.

Resolution No. 98-0177: Authorizing the Manager of Utilities Engineering Bureau to increase the spending authority for professional as-needed engineering services by \$3.2 million for the selected group of consultants to an amended total not to exceed \$6.4 million over two years.

CLOSED SESSION

18. Public Comments on matters to be discussed in Closed Session.

There were none.

19. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to assert the attorney-client privilege; passed (5-0) unanimously.

The Public Utilities Commission met in Closed Session from 2:40 p.m. to 5:00 p.m. to discuss the following matters:

20. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating: Nelson/Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiations: Terms and Conditions

No action was taken.

21. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Bay Bridge Pump Station
Parties Negotiating: CCSF-Dowd/Sullivan
Contracting Agency: CalTrans
Under Negotiation: Terms and Conditions

No action was taken.

22. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Phelan Avenue property owned by SFWD
Parties Negotiating: CCSF - Dowd/Sullivan
Lessee: City College of San Francisco
Under Negotiation: Terms and Conditions

No action was taken.

23. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Sunol lands
Parties Negotiating: Dowd
Lessee: Various
Under Negotiation: Price and Terms

No action was taken.

24. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Anderson v. City and County of San Francisco, San Joaquin Superior Court No. CV004214.

No action was taken.

25. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Yee v. City and County of San Francisco
Superior Court No. 980-740

Moved by Commissioner Werbe, seconded by Commissioner Normandy to approve a settlement for Item No. 25:

Resolution No. 98-0178: Approving the settlement of cross-complaint of the City and County of San Francisco against A. Ruiz Construction Company, Haley & Aldrich, EPC Consultants, Inc., and Underground Construction Managers in the consolidated actions entitled Yee v. City and County of San Francisco, and consolidated actions, San Francisco Superior Court No. 980-740.

26. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Debra Brewster v. City and County of San Francisco, San Francisco Municipal Court No. 144067.

Moved by Commissioner Werbe, seconded by Commissioner Normandy to approve a settlement for Item 26; passed (5-0) unanimously.

Resolution No. 98-0179: Approving a settlement in the case of Debra Brewster v. City and County of San Francisco, San Francisco Municipal Court No. 144067.

27. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: CSAA Subrogee for Colleen Airheart

Moved by Commissioner Caen, seconded by Commissioner Werbe, to approve a settlement for Item 27; passed (5-0) unanimously.

Resolution No. 98-0180: Approving a settlement in the case of CSAA Subrogee for Colleen Airheart, Case No. 98-02111.

28. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Defendant - 3 cases

No action taken.

29. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: California State Public Utilities Commission - Hunters Point and Potrero power plants.

No action taken.

30. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Bay Delta Hearings before the State Water Resources Control Board.

No action taken.

The Public Utilities Commission reconvened in open session.

31. Announcement following Closed Session.

President Makras announced the actions taken during the Closed Session.

32. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Normandy, seconded by Commissioner Cook, not to disclose the discussion during the Closed Session; passed (5-0) unanimously.

16. Authorizing an amendment to the personal services contract with Bruce Lyburn in connection with negotiation of existing and new PUC leases and the sale of the Bernal Avenue Property.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 16; passed (5-0) unanimously.

Resolution No. 98-0176: Authorizing the General Manager of Public Utilities to execute a sixth amendment to the personal services contract with Bruce Lyburn for services in connection with negotiation of existing and new PUC leases; increasing the contract amount from \$465,000 to \$715,000 extending the term to December 31, 1999; and changing the scope of work to include the eventual sale of the Bernal Avenue Property.

Thereupon, the meeting was adjourned: 5:03 P.M.

Romaine A. Boldridge
Secretary

AGENDA
PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

July 14, 1998
2:00 P.M.

Room 402
1155 Market Street, Fourth Floor

COMMISSIONERS

Victor G. Makras, President
Ann Moller Cacn, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DOCUMENTS DEPT.

JUL 13 1998

SAN FRANCISCO
PUBLIC LIBRARY

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program

BUREAUS

Commercial Land Management
Customer Service
Engineering and Construction Management
Environmental Regulation and Management
Finance
Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Pollution Control
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call (415) 923-6142. Accessible curb side parking has been designated at points in the vicinity of the meeting location adjacent to the Main Library.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call

SPECIAL ORDER OF BUSINESS - 2:00 P.M.

3. To consider approving an agreement between the City and County of San Francisco and Pacific Gas & Electric Company regarding the sale of the Hunter's Point and Potrero power plants.

ADJOURNMENT

MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

July 14, 1998
2:00 P.M.

Room 402
1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

AUG 18 1998

SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Management Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

THIS MEETING WAS HELD IN CONJUNCTION WITH THE
1:00 P.M. REGULAR MEETING OF JULY 14, 1998

1. Call to Order: 2:10 P.M.
2. Roll Call: Present - President Victor G. Makras, Vice President Ann Moller Caen, Commissioner E. Dennis Normandy, Commissioner Robert K. Werbe, Commissioner Frank L. Cook

SPECIAL ORDER OF BUSINESS

3. To consider approving an agreement between the City and County of San Francisco and Pacific Gas & Electric Company.

Anson B. Moran, General Manager of Public Utilities, reported that an agreement was reached between the Mayor and PG&E that PG&E will withdraw the sale of the Hunters Point power plant and reduce its use at the earliest possible opportunity, and sell the Potrero power plant as part of the auction. Mr. Moran stated that the agreement also stipulates that pending the sale of the Potrero power plant, the City will not seek to acquire the Hunters Point and Potrero power plants or interfere with the sale or operation of the Potrero power plant.

President Makras pointed out that the Commission is approving the agreement subject to the approval of the Board of Supervisors and the California Public Utilities Commission. He stated that he encouraged prospective bidders on the Potrero power plant to contact the PUC and the Mayor's Office to look at common grounds with the ultimate acquirers of the Potrero power plant.

Moved by Commissioner Normandy, seconded by Commissioner Caen to adopt Item 3; passed (5-0) unanimously.

Resolution No. 98-0181: Approving an agreement between the Mayor and PG&E to shut down Hunter's Point Power Plant and authorizing moving this agreement to the Board of Supervisors with a recommendation that it be approved.

Thereupon, the meeting was adjourned: 2:18 P.M.

Romaine A. Boldridge
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

July 24, 1998
2:30 P.M.

Room 402
1155 Market Street, Fourth Floor

For copy to be made 7/24/98
DOCUMENTS DEPT.
JUL 23 1998
SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Utilities Engineering Bureau
Environmental Regulation and Management
Finance
Management Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call (415) 923-6142. Accessible curb side parking has been designated at points in the vicinity of the meeting location adjacent to the Main Library.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

CLOSED SESSION

3. Public Comments on matters to be discussed in Closed Session.
4. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING:

5. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating: Nelson/Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiations: Terms and Conditions

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

6. Announcement following Closed Session.
7. Motion regarding whether to disclose the discussion during Closed Session.

REGULAR BUSINESS

8. Recommending that the City offer the Bernal Property for sale, encouraging the City's Board of Supervisors to adopt an ordinance to permit this Commission to offer the Bernal Property for sale, and directing staff to prepare an invitation to bid and auction for the potential sale of the Bernal property.

ADJOURNMENT

MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

July 24, 1998
2:30 P.M.
Room 402
1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

AUG 18 1998

SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Management Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

1. Call to Order: 2:39 P.M.
2. Roll Call: Present - President Victor G. Makras, Vice President Ann Moller Caen, Commissioner Robert K. Werbe, Commissioner Frank L. Cook

Commissioner E. Dennis Normandy arrived at 3:20 p.m.

CLOSED SESSION

3. Public Comments on matters to be discussed in Closed Session.

There were none.

4. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Caen, to assert the attorney-client privilege; passed (4-0) unanimously.

The Public Utilities Commission met in Closed Session from 2:40 p.m. to 3:46 p.m. to discuss the following:

5. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating: Nelson/Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiations: Terms and Conditions

Moved by Commissioner Cook, seconded by Commissioner Werbe, to adopt an amended resolution for Item 5; passed (4-0) unanimously.

Resolution No. 98-0182: Recommending that the City offer the Bernal Property for sale, encouraging the City's Board of Supervisors to adopt an ordinance to permit this Commission to offer the Bernal property for sale, and directing staff to prepare an invitation to bid for the potential sale of the Bernal property.

The Public Utilities Commission reconvened in open session.

6. Announcement following Closed Session.

President Makras announced the action taken during the Closed Session.

7. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Caen, not to disclose the discussion during the Closed Session; passed (5-0) unanimously.

REGULAR BUSINESS

8. Recommending that the City offer the Bernal Property for sale, encouraging the City's Board of Supervisors to adopt an ordinance to permit this Commission to offer the Bernal Property for sale, and directing staff to prepare an invitation to bid and auction for the potential sale of the Bernal property.

Moved by Commissioner Werbe, seconded by Commissioner Caen, to ratify the Commission's action in Closed Session approving Resolution No. 98-0182 as amended; passed (5-0) unanimously.

Thereupon, the meeting was adjourned: 3:52 P.M.

Romaine A. Boldridge
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

DOCUMENTS DEPT.

JUL 23 1998

SAN FRANCISCO
PUBLIC LIBRARY

REGULAR MEETING

July 28, 1998

1:00 P.M.

Room 402

1155 Market Street, Fourth Floor

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Robert K. Werbe
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Management Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call (415) 923-6142. Accessible curb side parking has been designated at points in the vicinity of the meeting location adjacent to the Main Library.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Election of Officers - Pursuant to Rule 6 of the Rules of Order of the Public Utilities Commission
 - a. President
 - b. Vice President
4. Approval of Minutes
5. Communications
6. Introduction of Old/Ongoing Business by Commissioners
7. Introduction of New Business by Commissioners
8. Report of the General Manager
 - a. Partnership for Safe Water Award - USEPA
 - b. Program Management
9. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

REGULAR BUSINESS

10. Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission at the Southeast Water Pollution Control Plant Digester No. 5; and requesting the Board of Supervisors to approve the expenditure of funds for Clean Water Program Contract No. CW-169E, SEWPCP Digester No. 5 Roof Cover Demolition. (Hintze)
11. Authorizing the General Manager of Public Utilities to execute a right-of-way permit with the U.S. Department of Interior, National Park Service, on a sewer easement within the Golden Gate National Recreation Area for the Richmond Transport Facilities. (Hintze)

LEASES AND PERMITS

12. Authorizing the General Manager of Public Utilities to execute a Memorandum of Understanding and a Revocable Permit with the Department of Recreation and Parks, for use of certain portions of the Reis Tract for the purpose of a Mini Park, the Expansion of a Mini Park and for administering a Child Care Parcel in San Francisco. (Dowd)

CONSTRUCTION CONTRACTS

Advertise

13. Approving the final plans and specifications and authorizing advertisement for bids for Water Department Contract No. WD-2273, Metal Bin Type Retaining Wall for BDPL No. 2 at Edgewood Road; and authorizing the General Manager of Public Utilities to award the contract to the lowest responsive and responsible bidder. (Hintze)

Award

14. Awarding the Clean Water Program Contract No. CW-158, Southeast Water Pollution Control Plant Buildings 930/850 and 040/041 Roofing Project in the amount of \$542,340 to the lowest responsive bidder, Pioneer Roofing Organization. (Hintze)
15. Awarding San Francisco Water Department Contract No. WD-2248, City Distribution Division Roof Replacement, in the amount of \$907,900 to Pioneer Roofing Company. (Hintze)

Close

16. Accepting the work performed under Clean Water Program Contract No. 1414N, Treat Avenue and 22nd Street Sewer Replacement, as satisfactorily completed; approving Contract Modification no. 1 in the credit amount of \$14,139.44; and authorizing final payment in the amount of \$11,725.06 to the contractor, Harty Pipelines, Inc. (Hintze)

PROFESSIONAL SERVICE CONTRACTS

Amend

17. Amending the contract with Geomatrix Consultants, Inc. for geotechnical and specialized engineering services, extending the contract completion date from August 1, 1998 to December 1, 1998 at no additional cost. (Hintze)
18. Amending the contract with Olivia Chen Consultants/Barbara Foster Associates Joint Venture for the development of the SFPUC Emergency Operations Plan extending the contract term for five months through December 31, 1998. (Keaney)

CLOSED SESSION

19. Public Comments on matters to be discussed in Closed Session.
20. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

21. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating: Nelson/Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiations: Terms and Conditions

22. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c): (Roddy/Simpson/Hintze/Wong)

Anticipated Litigation: As defendant
Regarding Richmond Transport Project - Seacliff

23. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a): (Donlin)

Existing Litigation: Fireman's Fund, subrogee of Bryant Normandie, a California Partnership, Claim No. 96-W-0064

24. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Haase)

Existing Litigation: Elizabeth J. Rory, Claim No. 98-04049

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

25. Announcement following Closed Session.
26. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

City and County of San Francisco
Public Utilities Commission
1155 Market Street, 4th Floor
San Francisco, CA 94103

#41
Main Public Library
Government Information Center
100 Larkin Street, 5th Floor

MINUTES

PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

DOCUMENTS DEPT.

AUG 18 1998

SAN FRANCISCO
PUBLIC LIBRARY

REGULAR MEETING

July 28, 1998

1:00 P.M.

Room 402

1155 Market Street, Fourth Floor

COMMISSIONERS

Ann Moller Caen, President
Robert K. Werbe, Vice President
E. Dennis Normandy
Victor G. Makras
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Management Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

1. Call to Order: 1:00 P.M.
2. Roll Call: Present - President Victor G. Makras, Vice President Ann Moller Caen, Commissioner E. Dennis Normandy, Commissioner Robert K. Werbe, Commissioner Frank L. Cook

3. Election of Officers - Pursuant to Rule 6 of the Rules of Order of the Public Utilities Commission.

Commissioner Cook nominated Commissioner Ann Moller Caen for President and Commissioner Robert K. Werbe for Vice President. Commissioner Normandy seconded. There were no further nominations. The election carried (5-0) by unanimous vote.

- a. President - Commissioner Caen was elected President.
- b. Vice President - Commissioner Werbe was elected Vice President.

President Caen presented a plaque of appreciation to outgoing President, Victor G. Makras for his outstanding leadership. She listed a number of significant actions taken by the Commission during Commissioner Makras' tenure as President of the Commission. Those actions were: 1) adopted a landscaping policy; 2) adopted a budget without a rate increase for in city water and sewer customers; 3) increased revenues from real estate operations; 4) increased MBE/WBE participation goals in PUC contracts; 5) celebrated the 75th anniversary of Hetch Hetchy and the 25th anniversary of the Clean Water Program; 6) implemented a grazing management plan for the Alameda watershed; 7) celebrated the beginning of restoration of the Sunol Water Temple and authorized funding for the restoration of the Moccasin Powerhouse; 8) initiated actions to acquire the Hunters Point and Potrero power plants; 9) approved phases of major long term capital projects such as the Sunol Valley Water Treatment Plant Improvement Project, SCADA, Water Supply Master Plan and PUC Facilities Vulnerability Program; and 10) opened escrow on the purchase of 525 Golden Gate Avenue.

4. Approval of Minutes

Moved by Commissioner Normandy, seconded by Commissioner Cook, to approve the Minutes of the Regular Meeting of June 23, 1998; passed (5-0) unanimously.

5. Communications

No action was taken.

6. Introduction of Old/Ongoing Business by Commissioners

President Caen requested the members of the Commission to review the list of old/ongoing business to see which items could be removed from the list.

7. Introduction of New Business by Commissioners

Commissioner Normandy noted that there was an article in the July 25, 1998 issue of San Francisco Chronicle regarding advertisers increasingly taking a look at golf courses as possible venues for advertising outlets. He requested staff to encourage the lessee at Crystal Springs Golf Course to participate in this venture to enhance revenue opportunities for the lessee and the City.

8. Report of the General Manager

a. Partnership for Safe Water Award - USEPA

Andrew DeGraca, Water Quality Bureau Manager, noted that the Safe Water Award was a national volunteer program formed by the Environmental Protection Agency (EPA), American Water Works Association (AWWA), and other agencies to optimize treatment for cryptosporidium and other microbiological pathogens. The award was given for the Sunol Valley Water Treatment Plant. Mr. DeGraca acknowledged Paul Demeduk, Chief of Sunol Valley Water Treatment Plant and Enio Sebastiani, an engineer at the Water Quality Bureau, who played critical roles in obtaining the award.

Alexis Strauss, EPA's Region 9 Water Management Division Director, presented the award to President Caen.

b. Program Management

Carolyn Olsen, Acting General Manager of Public Utilities, reported that staff met with numerous firms that provide program management services. She said that these firms would be making formal presentations to the Commission at the next PUC meeting. A summary of what will be covered in the presentations was handed out to the Commission. Commissioner Normandy noted that it should be understood that the purpose of a program management system should be to augment staff and look at ways to save money or time.

9. Public comments on matters that were not on today's agenda.

There were none.

REGULAR

10. Requesting approval of expenditure of funds for Clean Water Program Contract No. CW-169E, SEWPCP Digester No. 5 Roof Cover Demolition.

Moved by Commissioner Cook, seconded by Commissioner Werbe, to adopt Item 10; passed (5-0) unanimously.

Resolution No. 98-0183: Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission at the Southeast Water Pollution Control Plant Digester No. 5, and requesting the Board of Supervisors to approve the expenditure of funds for Clean Water Program Contract No. CW-169E, SEWPCP Digester No. 5 Roof Cover Demolition.

Discussion of Item 11 was postponed until after the Closed Session.

LEASES AND PERMITS

12. Authorizing a Memorandum of Understanding and a Revocable Permit with the Department of Recreation and Parks, for use of certain portions of the Reis Tract.

Gary Dowd, Manager, Bureau of Commercial Land Management, noted that the Memorandum of Understanding was revised as directed by the Commission to include provisions that the improvements must be removed from the site upon expiration, any profit from the operation would be turned over to PUC, and the lease would be brought to fair market value upon expiration of the permit.

Moved by Commissioner Normandy, seconded by Commissioner Werbe, to adopt Item 12; passed (5-0) unanimously.

Resolution No. 98-0184: Authorizing the General Manager of Public Utilities to execute a Memorandum of Understanding and a Revocable Permit with the Department of Recreation and Parks, for use of certain portions of the Reis Tract for the purpose of a Mini Park, the Expansion of a Mini Park and for administering a Child Care Parcel in San Francisco.

CONSTRUCTION CONTRACTS

Advertise

13. Authorizing advertisement for bids for Water Department Contract No. WD-2273, Metal Bin Type Retaining Wall for BDPL No. 2 at Edgewood Road.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Item 13; passed (5-0) unanimously.

Resolution No. 98-0185: Approving the final plans and specifications and authorizing advertisement for bids for Water Department Contract No. WD-2273, Metal Bin Type Retaining Wall for BDPL No. 2 at Edgewood Road; and authorizing the General Manager of Public Utilities to award the contract to the lowest responsive and responsible bidder.

Award

14. Awarding the Clean Water Program Contract No. CW-158, Southeast Water Pollution Control Plant Buildings.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 14; passed (5-0) unanimously.

Resolution No. 98-0186: Awarding the Clean Water Program Contract No. CW-158, Southeast Water Pollution Control Plant Buildings 930/850 and 040/041 Roofing Project in the amount of \$542,340 to the lowest responsive bidder, Pioneer Roofing Organization.

15. Awarding San Francisco Water Department Contract No. WD-2248, City Distribution Division Roof Replacement.

Moved by Commissioner Normandy, seconded by Commissioner Makras, to adopt Item 15; passed (5-0) unanimously.

Resolution No. 98-0187: Awarding San Francisco Water Department Contract No. WD-2248, City Distribution Division Roof Replacement, in the amount of \$907,900 to Pioneer Roofing Company.

Close

16. Accepting the work performed under Clean Water Program Contract No. 1414N, Treat Avenue and 22nd Street Sewer Replacement.

Moved by Commissioner Cook, seconded by Commissioner Werbe, to adopt Item 16; passed (5-0) unanimously.

Resolution No. 98-0188: Accepting the work performed under Clean Water Program Contract No. 1414N, Treat Avenue and 22nd Street Sewer Replacement, as satisfactorily completed; approving Contract Modification no. 1 in the credit amount of \$14,139.44; and authorizing final payment in the amount of \$11,725.06 to the contractor, Harty Pipelines, Inc.

PROFESSIONAL SERVICE CONTRACTS

Amend

17. Amending the contract with Geomatrix Consultants, Inc. for geotechnical and specialized engineering services.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Item 17; passed (5-0) unanimously.

Resolution No. 98-0189: Amending the contract with Geomatrix Consultants, Inc. for geotechnical and specialized engineering services, extending the contract completion date from August 1, 1998 to December 1, 1998 at no additional cost.

18. Amending the contract with Olivia Chen Consultants/Barbara Foster Associates Joint Venture for the development of the SFPUC Emergency Operations Plan.

Moved by Commissioner Normandy, seconded by Commissioner Werbe, to adopt Item 18; passed (5-0) unanimously.

Resolution No. 98-0190: Amending the contract with Olivia Chen Consultants/ Barbara Foster Associates Joint Venture for the development of the SFPUC Emergency Operations Plan extending the contract term for five months through December 31, 1998.

CLOSED SESSION

19. Public Comments on matters to be discussed in Closed Session.

There were none.

20. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to assert the attorney-client privilege; passed (5-0) unanimously.

The Public Utilities Commission met in Closed Session from 1:22 p.m. to 1:50 p.m. to discuss the following matters:

21. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation:	As Plaintiff and as Defendant
Property:	500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating:	Nelson/Lymburn/Thompson/Malamut City of Pleasanton
Under Negotiations:	Terms and Conditions

No action was taken.

22. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As defendant
Regarding Richmond Transport Project - Seacliff

Moved by Commissioner Makras, seconded by Commissioner Werbe, to adopt a settlement for Item 22; passed (5-0) unanimously.

Resolution No. 98-0191: Approving a settlement of claim filed by the United States Department of Interior, National Park Service, for damages arising from the Richmond Transport Project and the Seacliff incident.

23. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Fireman's Fund, subrogee of Bryant Normandie, a California Partnership, Claim No. 96-W-0064

Moved by Commissioner Makras, seconded by Commissioner Werbe, to adopt a settlement for Item 23; passed (5-0) unanimously.

Resolution No. 98-0192: Approving a settlement in the claim of Fireman's Fund, subrogee of Bryant Normandie, Claim No. 97W 0064-2.

24. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Elizabeth J. Rory, Claim No. 98-04049

Moved by Commissioner Werbe, seconded by Commissioner Normandy, to adopt a settlement for Item 24; passed (5-0) unanimously.

Resolution No. 98-0193: Approving a settlement in the claim of Elizabeth J. Rory, Claim No. 98-04049.

The Public Utilities Commission reconvened in open session.

25. Announcement following Closed Session.

President Caen announced the actions taken during the Closed Session.

26. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Werbe, not to disclose the discussion during the Closed Session; passed (5-0) unanimously.

The Commission resumed discussion of the Regular Agenda.

11. Authorizing a right-of-way permit with the U.S. Department of Interior, National Park Service.

Moved by Commissioner Makras, seconded by Commissioner Cook to adopt Item 11 at a cost not to exceed cost \$509,000; passed (5-0) unanimously.

Resolution No. 98-0194: Authorizing the General Manager of Public Utilities to execute a right-of-way permit with the U.S. Department of Interior, National Park Service, on a sewer easement within the Golden Gate National Recreation Area to operate and maintain the Richmond Transport Facilities at a cost not to exceed \$509,000.

Thereupon, the meeting was adjourned: 1:55 P.M.

Romaine A. Boldridge
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

August 11, 1998
1:00 P.M.
Room 402
1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

AUG 06 1998

SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

Ann Moller Caen, President
Robert K. Werbe, Vice President
E. Dennis Normandy
Victor G. Makras
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Management Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call (415) 923-6142. Accessible curb side parking has been designated at points in the vicinity of the meeting location adjacent to the Main Library.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a. Proposition H Challenges
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

REGULAR BUSINESS

9. Establishing a policy to not budget for positions which have become surplus to the department's needs and establishing a procedure for implementation of the policy.
[Continued from the meeting of July 14, 1998.] (Moran)
10. Approving the 1998/99 Housing Budget, and directing the General Manager to develop options for the use of "Excess" housing, solicit the services of a property manager to manage the PUC's residential properties; and conclude discussions regarding charging for utilities. (Moran)
11. Public Hearing - To present the results of the "1998 Water Quality and Public Health Goals Report" and accept and respond to public comments on this report. (DeGraca)
12. To present the challenges of the PUC 10-year capital improvement program, overview of program management services and the choices available to PUC. (Williams) 15 mins.
13. To present the Southeast Water Pollution Control Plant Odor Control Master Plan.
(Loiacono)
14. To present issues related to sewer flooding in the Bayview/Hunters Point and southeast part of the City. (Pla/Wong)
15. Ratifying the Declaration of Emergency made by the President of Public Utilities, and requesting the Board of Supervisors to approve the expenditure of funds for Clean Water Program Contract No. CW-172 (1595N), Spruce Street Emergency Sewer Replacement.
(Hintze)
16. Ratifying the Declaration of Emergency made by the President of Public Utilities, and requesting the Board of Supervisors to approve the expenditure of funds for Clean Water Program Contract No. CW-179 (1596N), Ordway Street Emergency Sewer Replacement.
(Hintze)

LEASES AND PERMITS

17. Authorizing the General Manager of Public Utilities to execute a permit with the Big Oak Flat-Groveland Unified School District for use of the Moccasin Schoolhouse and adjacent grounds including placement of two portable classrooms, an alternative education center on a portion of Hetch Hetchy Parcel No. 276-1 in Moccasin, Tuolumne County. (Dowd)
18. Authorizing the General Manager of Public Utilities to execute a permit with Pacific Bell for installation, maintenance, use and repair of 4-inch steel conduits for telecommunication purposes on a portion of Parcel 32B of Bay Division Pipeline Nos. 3 and 4 right of way, located in Fremont, Alameda County. (Dowd)
19. Authorizing the General Manager of Public Utilities to execute a revocable permit with Pacific Gas & Electric Company for watershed land located at the south end of Upper Crystal Springs Reservoir near Las Pulgas Water Temple, to place a deep well cathodic protection rectifier to protect existing gas lines from corrosion. (Dowd)
20. Authorizing the General Manager of Public Utilities to execute a lease with Stewart Automotive Group, for approximately .34 acres of PUC land located on a portion of Parcel 16 of San Mateo County lands and a portion of the southwesterly half of the former vacated 5th Avenue in Colma, CA, for parking and storage of vehicles. (Dowd)

CONSTRUCTION CONTRACTS

Advertise

21. Approving the final plans and specifications and authorizing advertisement for bids for Hetch Hetchy contract No. HH-883, Hetch Hetchy Water and Power Roofing Project. (Hintze)

Award

22. Awarding Clean Water Program Contract No. CW-128, "North Point Water Pollution Control Plant Improvements - Phase 3A", in the amount of \$1,297,830 to the lowest, responsive and responsible bidder, Homer J. Olsen, Inc. (Hintze)

23. Rejecting the bids submitted by Willie Electric, Inc., Shaw Pipelines, and Ranger Pipelines/A. Answer, J.V. as being non-responsive, and awarding San Francisco Water Department Contract WD-2222, 8-Inch Ductile Iron Main Installation in Franklin Street between McAllister Street and Market Street, and in McAllister Street between Franklin Street and Market Street to A. Ruiz Construction Co. & Assoc. in the bid amount of \$783,780.00. (Hintze)
24. Awarding San Francisco Water Department Contract No. WD-2255, Sunol Valley Water Treatment Plant Filter Console Modifications to Transdyn Controls, Inc. for \$1,734,000. (Hintze)

PROFESSIONAL SERVICE CONTRACTS

Advertise

25. Authorizing the General Manager of Public Utilities to advertise a Request for Proposal for consultant services to implement a storm water pollution prevention program to minimize pollutants generated by urban runoff for an amount not to exceed \$100,000 for the period ending June 30, 1999 with a total three-year cost not to exceed \$400,000. (Medbery)

Award

26. Confirming the award of a professional services agreement to perform engineering services for the Sunol Valley Water Treatment Plant (SVWTP) Improvement Project with the Montgomery Watson/AGS, Inc./Structus Joint Venture, and authorizing the Manager of the System Planning and Regulatory Compliance Bureau to execute the agreement for an amount not to exceed \$5,237,000 over two years. (Carlin)

Amend

27. Authorizing the General Manager of Public Utilities to extend the term of Hooper, Hooper, Owen and Gould lobbying contract to December 30, 1999, and increasing the contract funding by \$205,000 for a contract total not to exceed \$1,320,000. (Klein)

CLOSED SESSION

28. Public Comments on matters to be discussed in Closed Session.
29. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

30. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property:	Phelan Avenue property owned by San Francisco Water Dept.
Parties Negotiating:	CCSF - Dowd
Lessee:	City College of San Francisco
Under Negotiation:	Terms and Conditions

31. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a): (Milstein)

Existing Litigation:	Anderson v. City and County of San Francisco, San Joaquin Superior Court No. CV004214.
----------------------	--

32. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a): (Anderson)

Existing Litigation:	Valerie Gennai v. SFWD, Claim No. 97 W 0019-4
----------------------	---

33. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating: Nelson/Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiations: Terms and Conditions

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

34. Announcement following Closed Session.

35. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

NOTICE OF SPECIAL MEETING

The Public Utilities Commission will hold its next meeting on August 25, 1998 at 4:00 p.m. at the Southeast Community Facility Community Meeting Room, 1800 Oakdale Avenue in San Francisco. Matters of special interest to the Southeast Community will be heard beginning at 6:00 p.m.

3
11/98
3

MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

August 11, 1998
1:00 P.M.
Room 402

1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

OCT 02 1998

SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

Ann Moller Caen, President
Robert K. Werbe, Vice President
E. Dennis Normandy
Victor G. Makras
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Management Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

1. Call to Order: 1:04 P.M.
2. Roll Call: Present - President Ann Moller Caen, Commissioner E. Dennis Normandy, Commissioner Victor G. Makras

Commissioner Frank L. Cook arrived at 1:06 p.m.

Commissioner Robert K. Werbe arrived at 1:40 p.m.

3. Approval of Minutes

Moved by Commissioner Normandy, seconded by Commissioner Makras, to approve the Minutes for the following meeting dates; passed (3-0) unanimously.

- a. Regular Meeting of July 14, 1998
- b. Special Meeting of July 14, 1998
- c. Special Meeting of July 24, 1998
- d. Regular Meeting of July 28, 1998

4. Communications

President Caen requested more information regarding the General Manager's memo dated August 11, 1998 concerning USAID's "Contract for Sustainable Urban Management". Anson Moran, General Manager of Public Utilities, explained that USAID was sponsoring grants to establish partnerships with private entities seeking to fund experts who could assist local governments in developing countries in the areas of finance, local government, urban pollution and credit management. Mr. Moran stated that PUC possesses knowledge that could be valuable to other communities, however, the PUC does not have the resources to participate as a prime contractor. He noted that we could provide assistance as a subcontractor in energy conservation and waste management areas where PUC has adequate staffing and expertise.

Commissioner Cook arrived during discussion of Item 4.

President Caen directed staff to explore the possibility of the City taking part in the program.

5. Introduction of Old/Ongoing Business by Commissioners

No action was taken.

6. Introduction of New Business by Commissioners

Commissioner Normandy requested that staff consider submitting an application to the Association of California Water Agencies (ACWA) for the Theodore Roosevelt Environmental Award. He stated that PUC would be an excellent candidate for this award in relation to the adoption of the Grazing Resources Management Plan for the Alameda watershed.

7. Report of the General Manager

a. Mr. Moran reported that President Bill Clinton was at the Harry Tracy Water Treatment Plant this morning and announced a policy for consumer confidence reporting whereby all water agencies would be held to the same standards as California for reporting to their consumers on the quality of the water provided by the agency.

b. Proposition H Challenges

Mr. Moran noted that Proposition H does not allow increases in water and sewer rates and charges to recover debt service programs. He stated that we may not be able to issue bonds for \$90 million of authorized debt for sewer repair because of this prohibition.

8. Public comments on matters that were not on today's agenda.

There were none.

REGULAR

9. Establishing a policy to not budget for positions which have become surplus to the department's needs and establishing a procedure for implementation of the policy. [Continued from the meeting of July 14, 1998.]

Moved by Commissioner Makras, seconded by Commissioner Normandy, to continue Item 9 to the call of the Chair; passed (4-0) unanimously.

10. Approving the 1998/99 Housing Budget, and directing the General Manager to develop options for the use of "Excess" housing, solicit the services of a property manager to manage PUC's residential properties; and conclude discussions regarding charging for utilities.

Mr. Moran noted that staff identified 21 housing units at Moccasin that were essential to PUC operations. He said staff would return to the Commission with options for dealing with the remaining excess units. Mr. Moran stated that staff was also proposing a policy for charging for utilities by January 2000.

Mike Siegenthaler, an employee in Moccasin, commented that these homes have electric heating utilities and he would like staff to consider the high cost of electricity when they start restructuring the fees and charging for utilities. He asked whether certain provisions will be made for employees who serve as fire protection volunteers in the Moccasin Fire Department as there are no emergency personnel assigned for fire protection in the PUC facilities. Mr. Klein stated that since this matter was not covered in his analysis, he will return to the Commission to address the issue.

Note: Commissioner Werbe arrived during the discussion of Item 10.

Commissioner Makras commented that the policy as proposed was not consistent with the goals of the Commission. He said he would like the policy to state that by January 1, 2000, PUC will be charging the tenants fair market rate and for the cost of utilities. He said the policy should focus on fairness and equity for every employee as they are all vitally important to PUC operations. Mr. Moran noted that PUC has facilities that are extremely remote that having staff immediately on hand is important to the best interests of the City. He said travel time is crucial to prevent a great amount of physical damage to properties.

Commissioner Makras suggested amending the resolution to remove the second resolved clause (charging the discount rent of \$50.00); add a third resolve directing the General Manager to implement a housing policy to bring all rents to fair market value and charge for utilities for all housing tenants by January 1, 2000; and remove the last resolved clause. He also noted the importance of advising employees as early as possible about these changes to give them ample time for planning.

Commissioner Normandy suggested continuing the matter to another meeting to allow staff to restructure the resolution based upon the changes proposed today.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to continue Item 10 to the call of the Chair and direct the General Manager of Public Utilities to revise the resolution to include a policy of implementing fair market value as of January 1, 2000; passed (5-0) unanimously.

11. Public Hearing - To present the results of the "1998 Water Quality and Public Health Goals Report" and accept and respond to public comments on this report.

Andrew DeGraca, Manager, Water Quality Bureau, gave a presentation using an overhead projector regarding the findings of the 1998 Water Quality and Public Health Goals Evaluation. Mr. DeGraca reported that 83 regulated contaminants were analyzed by staff and all of them, except for coliform and lead, met regulatory requirements of the Maximum Contaminant Levels (MCLs), SFPUC goals, and Public Health Goals. Coliform and lead did not meet the public health goals.

Mr. DeGraca stated that they would be changing the chemical used for final disinfection from chlorine to chloramine to reduce positive coliform samples. With regard to lead, he said there was no detectable lead found in source water. However, samples from customers' tap water were found to contain lead above public health goals due to lead leaching from consumer plumbing containing lead. He said that staff had advised consumers about lead in their taps and the option of installing lead-free plumbing fixtures. They were also advised to flush taps for 15-30 seconds before use. Mr. Graca noted that the current improvement plan includes new facilities to improve the reliability and redundancy in SFPUC corrosion control facilities.

Commissioner Makras suggested that staff advise customers about the availability of lead-free fixtures to help reduce the level of lead content at their taps. He requested staff to put together a list of companies that manufactures lead-free plumbing fixtures and make that list available to the public.

Emeric Kalman commended PUC for the City's excellent water quality and favorable price. Mr. DeGraca stated that the Water quality has been consistently improving over the years.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt Item 11; passed (5-0) unanimously.

Resolution No. 98-0195: Directs the Water Quality Manager to send a letter to the California Department of Health Services documenting that a Public Health Goal Report was prepared and a public hearing was held to accept and respond to public comments on the report.

12. To present the challenges of the PUC 10-year capital improvement program, overview of program management services and the choices available to PUC.

Mary Williams, Project Manager from the Utilities Engineering Bureau, gave a presentation using electronic slides regarding the challenges and concerns PUC faces with a large 10-year capital improvement program. She also discussed the choices available in program management, its benefits and costs to the City.

Ms. Williams stated that the PUC is challenged in the management and control of a capital improvement program that had leaped in scale and complexity over the past years. She noted that the PUC also has limited resources and tools to meet the requirements of a capital program of this magnitude.

Ms. Williams talked about program management as a tool in addressing concerns regarding management and control of the PUC's Capital Improvement Program. She stated that the PUC needs the services of a program manager that would be responsible for coordinating projects, monitoring and controlling progress of the projects, augmenting staff, and providing the necessary tools. She discussed the three options available in structuring a program management system for PUC and the benefits of each option. The three options were: (1) PUC as a Program Manager; (2) a Consultant as Program Manager; (3) PUC and Consultant Integrated Staff. Ms. Williams stated that the estimated cost of hiring a program manager is \$25 million.

Commissioner Normandy commended staff for responding very well to the request of the Commission to look at program management systems. He suggested that staff begin looking into a combination of private sector and public sector management team and analyze how the program could be self liquidating through savings in time and money.

Commissioner Makras suggested looking into the economics of embarking on this program. He suggested that staff make a direct comparison of fees paid by other utility agencies for this type of service. He requested that the comparison include what PUC is currently doing, and the cost of doing program management in house. Ms. Williams indicated that staff will also show contractual provisions that could help us control costs and assure cost savings. President Caen directed staff to report to the Commission at the meeting scheduled on September 15, 1998 on these issues.

Commissioner Normandy stated that he would like to implement the program in phases and initially taking a specific project as a test module within a specific time frame. Commissioner Werbe suggested reaching out to a wider span of the contracting community. Commissioner Cook commented that he would like the Commission to have the flexibility to choose the most economical way of doing business.

13. To present the Southeast Water Pollution Control Plant Odor Control Master Plan.

Mr. Jon Loiacono, Manager of Water Pollution Control Environmental Engineering Division, gave a presentation using overhead projector slides and showed diagrams of the areas around the perimeter of the Southeast Water Pollution Control Plant. He also distributed copies of the *Southeast Water Pollution Control Plant Odor Control Master Plan* to the Commission. The Master Plan prepared by Brown and Caldwell Consultants identified the major sources of odors at the plant and presented recommendations for controlling odor emissions and cost estimates of each

recommendation. He noted that a \$50 million revenue bond is needed to accomplish the recommendations in the Plan and to achieve the goal of no detectable odor at the perimeter of the Southeast Water Pollution Control Plant. He stated that staff had already begun to implement a number of projects recommended in the Master Plan such as operational improvements, sludge hauling, housekeeping and scheduling of tank drainage. Odor improvement projects scheduled in the future are chemical addition, dewatering improvements, and building foul air treatment systems in various odor source facilities to reduce release of odors. Mr. Loiacono commented that completing all the recommended projects will reduce peak odor events but partial completion will not achieve the goal of undetectable odor.

Commissioner Cook suggested that staff give the same presentation at the PUC meeting that would be held in the Bayview District on August 25, 1998. President Caen stated that she wanted to look at the priorities and re-evaluate this project before the end of the year.

14. To present issues related to sewer flooding in the Bayview/Hunters Point and southeast part of the City.

Michelle Pla, Manager for Clean Water Program Planning and Control, gave a presentation using overhead projector slides and maps regarding sewer flooding issues in the Bayview and Hunters Point areas. Ms. Pla stated that flooding in these areas was caused by hydraulically inadequate sewers, structurally damaged pipes and properties being below grade. She reported that the Clean Water Program staff have been working hard to control sewer flooding in these areas. They have initiated five flooding control projects that are currently in different phases of planning, design and construction. Those projects are Joseph K. Lee Recreational Center Sewer, Rankin Drainage Improvements, Yosemite/Egbert Sewer, Sunnydale Sewer, and Third Street Sewer projects. The Joseph K. Lee Sewer Project was completed in July. Ms. Pla noted that there are other flood control projects identified City wide and voter authorization for a future bond measure to fund these projects will be needed.

Commissioner Normandy requested staff to prepare an executive summary of this report for the Commission, the Board of Supervisors and the Mayor.

15. Requesting the Board of Supervisors to approve the expenditure of funds for Clean Water Program Contract No. CW-172, Spruce Street Emergency Sewer Replacement.

Moved by Commissioner Werbe, seconded by Commissioner Normandy, to adopt Item 15; passed (5-0) unanimously.

Resolution No. 98-0196: Ratifying the Declaration of Emergency made by the President of Public Utilities, and requesting the Board of Supervisors to approve the expenditure of funds for Clean Water Program Contract No. CW-172 (1595N), Spruce Street Emergency Sewer Replacement.

16. Requesting the Board of Supervisors to approve the expenditure of funds for Clean Water Program Contract No. CW-179 (1596N), Ordway Street Emergency Sewer Replacement.

Moved by Commissioner Cook, seconded by Commissioner Werbe, to adopt Item 16; passed (5-0) unanimously.

Resolution No. 98-0197: Requesting the Board of Supervisors to approve the expenditure of funds for Clean Water Program Contract No. CW-179 (1596N), Ordway Street Emergency Sewer Replacement.

LEASES AND PERMITS

17. Authorizing a permit with the Big Oak Flat-Groveland Unified School District for use of the Moccasin Schoolhouse and adjacent grounds.

Gary Dowd, Manager, Bureau of Commercial Land Management, noted that the permit called for a \$100 per month rental fee as suggested by the Commission at a previous PUC meeting. It also addressed the School District's acceptance of the responsibility for ongoing repair and maintenance of the building.

Mr. Dave Manship, Superintendent of Big Oak Flat Groveland Unified School District, commented in support of staff's proposal.

Mike Siegenthaler, commented that the Yosemite Gateway Hostel Society had also requested the Commission for the use of this facility and had not gotten an answer. He expressed support of staff's proposal; however, he urged the Commission to keep the Hostel's request in mind when they begin to make decisions regarding Moccasin facilities.

Commissioner Makras expressed opposition to the item as proposed because there was no provision for charging rent in the agreement. He stated that if the Commission allows the use of PUC facilities for free, we would need to offer the opportunity to all interested parties and if there are two interested parties that it should be put out for bids. Commissioner Werbe concurred with Commissioner Makras' opinion. He stated

that the State of California should be paying for the cost of running the program including the prevailing rent. Mr. Manship responded that their School District does not get enough money for teachers, rent and instructional needs. He said the District was looking for a break from the City so that they could run the program with whatever funds they now have.

Commissioner Cook commented in support of the School District's request with an addendum to raise the rent according to the financial ability of the School District.

Commissioner Makras moved, seconded by Commissioner Werbe to reject the resolution. President Caen, Commissioner Normandy and Commissioner Cook voted noes. The motion failed (2-3).

President Makras moved to direct staff to negotiate a five-year lease with all interested parties for this site at fair market rental rate and present the proposals to the Commission so that the Commission can make the selection. Commissioner Werbe seconded. Lawrence T. Klein, General Manager of Hetch Hetchy Water & Power, noted that the School District needed to know today whether they will be able to use the property or there will be no program. Commissioner Makras withdrew his motion.

Commissioner Normandy noted that in the absence of a policy regarding fair market rent and the need to support a community endeavor within the Tuolumne County, he suggested a one year lease agreement with the acknowledgment by lessee that at the end of the term, the lease of the property will be put to bid at fair market rental rate and the lessee will take care of maintenance of the building. Commissioner Makras stated that there will be no option to renew after the one year term.

Mike Siegenthaler commented that the City should give a break to the district as the program will benefit the youth.

Moved by Commissioner Normandy, seconded by Commissioner Makras, to adopt Item 17 as amended; passed (5-0) unanimously.

Resolution No. 98-0198: Authorizing the General Manager of Public Utilities to execute a permit for one year with the Big Oak Flat-Groveland Unified School District for use of the Moccasin Schoolhouse and adjacent grounds including placement of two portable classrooms, an alternative education center on a portion of Hetch Hetchy Parcel No. 276-1 in Moccasin, Tuolumne County.

18. Authorizing the General Manager of Public Utilities to execute a permit with Pacific Bell for installation, maintenance, use and repair of 4-inch steel conduits for telecommunication purposes on a portion of Parcel 32B of Bay Division Pipeline Nos. 3 and 4 right of way, located in Fremont, Alameda County.

Item 18 was removed from the agenda.

President Caen recommended taking Items 19 and 20 as consent items. Commissioner Makras moved, seconded by Commissioner Cook, to adopt Items 19 and 20; passed (5-0) unanimously.

19. Resolution No. 98-0199: Authorizing the General Manager of Public Utilities to execute a revocable permit with Pacific Gas & Electric Company for watershed land located at the south end of Upper Crystal Springs Reservoir near Las Pulgas Water Temple, to place a deep well cathodic protection rectifier to protect existing gas lines from corrosion.
20. Resolution No. 98-0200: Authorizing the General Manager of Public Utilities to execute a lease with Stewart Automotive Group, for approximately .34 acres of PUC land located on a portion of Parcel 16 of San Mateo County lands and a portion of the southwesterly half of the former vacated 5th Avenue in Colma, CA, for parking and storage of vehicles.

CONSTRUCTION CONTRACTS

Advertise

21. Approving the final plans and specifications and authorizing advertisement for bids for Hetch Hetchy Contract No. HH-883, Hetch Hetchy Water and Power Roofing Project.

President Caen commented that she would like the Commission to revisit this project in relation to housing units that were considered to be excess.

Moved by Commissioner Cook, seconded by Commissioner Makras, to adopt Item 21; passed (5-0) unanimously.

Resolution No. 98-0201: Approving the final plans and specifications and authorizing advertisement for bids for Hetch Hetchy contract No. HH-883, Hetch Hetchy Water and Power Roofing Project.

Note: Commissioner Makras was excused at 1:40 p.m.

President Caen recommended taking Items 22 and 24 as consent items. Moved by Commissioner Werbe, seconded by Commissioner Normandy to adopt Items 22 and 24; passed (4-0) unanimously.

- 22. Resolution No. 98-0202: Awarding Clean Water Program Contract No. CW-128, "North Point Water Pollution Control Plant Improvements - Phase 3A", in the amount of \$1,297,830 to the lowest, responsive and responsible bidder, Homer J. Olsen, Inc.
- 24. Resolution No. 98-0203: Awarding San Francisco Water Department Contract No. WD-2255, Sunol Valley Water Treatment Plant Filter Console Modifications to Transdyn Controls, Inc. for \$1,734,000.

Commissioner Makras returned at 1:45 p.m.

- 23. Rejecting the bids submitted by Willie Electric, Inc., Shaw Pipelines, and Ranger Pipelines/A. Answer, J.V. as being non responsive, and awarding San Francisco Water Department Contract WD-2222, 8-Inch Ductile Iron Main Installation in Franklin Street between McAllister Street and Market Street, and in McAllister Street between Franklin Street and Market Street to A. Ruiz Construction Co. & Assoc. in the bid amount of \$783,780.00.

Mr. Everett Hintze, Acting Manager of Utilities Engineering Bureau, stated that A. Ruiz Construction Co. & Associates was the fourth lowest bidder. The first three lowest bidders were determined non responsive and their bids were rejected. Commissioner Cook inquired about the possibility of adjusting the contract price with A. Ruiz Construction. Mr. Hintze responded that it was not possible to renegotiate with A. Ruiz since there were other acceptable bids on the contract and we would have to renegotiate with the other acceptable bidders, as well. Mr. John Roddy, Deputy City Attorney, advised the Commission to continue the matter so that staff could further investigate the issue of negotiating price with A. Ruiz Construction Co.

Moved by Commissioner Normandy, seconded by Commissioner Werbe to continue Item 23 to the next regularly scheduled PUC meeting; passed (5-0) unanimously.

PROFESSIONAL SERVICE CONTRACTS

Commissioner Makras was excused at 3:45 p.m.

Advertise

25. Authorizing the General Manager of Public Utilities to advertise a Request for Proposal for consultant services to implement a storm water pollution prevention program.

Moved by Commissioner Normandy, seconded by Commissioner Werbe, to adopt Item 25; passed (4-0) unanimously.

Resolution No. 98-0204: Authorizing the General Manager of Public Utilities to advertise a Request for Proposal for consultant services to implement a storm water pollution prevention program to minimize pollutants generated by urban runoff for an amount not to exceed \$100,000 for the period ending June 30, 1999 with a total three-year cost not to exceed \$400,000.

Commissioner Makras returned at 3:47 p.m.

Award

26. Confirming the award of a professional services agreement for engineering services for the Sunol Valley Water Treatment Plant (SVWTP) Improvement Project.

President Caen stated that she will support the project although she was not in favor of a lump sum contract payment.

Moved by Commissioner Cook, seconded by Commissioner Werbe, to adopt Item 26; passed (5-0) unanimously.

Resolution No. 98-0205: Confirming the award of a professional services agreement to perform engineering services for the Sunol Valley Water Treatment Plant (SVWTP) Improvement Project with the Montgomery Watson/AGS, Inc./Structus Joint Venture, and authorizing the Manager of the System Planning and Regulatory Compliance Bureau to execute the agreement for an amount not to exceed \$5,237,000 over two years.

Amend

27. Authorizing the General Manager of Public Utilities to extend the term of Hooper, Hooper, Owen and Gould lobbying contract.

Commissioner Cook expressed concern in continuously extending this contract. Commissioner Makras suggested extending the contract only for six months to allow time to rebid the contract.

Mr. Moran noted that the Mayor reviewed all contracts extensively to make sure that they are effective and this contract passed the test.

Commissioner Makras suggested extending the contract to December 1998, approving additional funding of \$60,000, and putting the contract out for rebid at the end of the term.

Moved by Commissioner Makras, seconded by Commissioner Werbe, to adopt Item 27 as amended; passed (5-0) unanimously.

Resolution No. 98-0206: Authorizing the General Manager of Public Utilities to extend the term of Hooper, Hooper, Owen and Gould lobbying contract to December 30, 1998, and increasing the contract funding up to but not exceeding a total of \$1,175,000.

CLOSED SESSION

28. Public Comments on matters to be discussed in Closed Session.

There were none.

29. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Makras, to assert the attorney-client privilege; passed (5-0) unanimously.

The Public Utilities Commission met in Closed Session from 4:00 p.m. to 5:20 p.m. to discuss the following matters:

30. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Phelan Avenue property owned by San Francisco Water Dept.
Parties Negotiating: CCSF - Dowd
Lessee: City College of San Francisco
Under Negotiation: Terms and Conditions

No action was taken.

31. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Anderson v. City and County of San Francisco, San Joaquin Superior Court No. CV004214.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to authorize the City Attorney to enter into a tolling agreement with the Modesto and Turlock Irrigation Districts; passed (4-1). Commissioner Makras voted no.

Resolution No. 98-0207: Authorizing the City Attorney to enter into a tolling agreement with the Modesto and Turlock Irrigation Districts, and with other public agency defendants who may be named as cross defendants by the City and the Districts; and recommending that the Board of Supervisors approve the tolling agreement.

32. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Valerie Gennai v. SFWD, Claim No. 97 W 0019-4

Moved by Commissioner Makras, seconded by Commissioner Werbe to approve a settlement agreement; passed (5-0) unanimously.

Resolution No. 98-0208: Recommending that the Board of Supervisors approve a settlement in the claim of Valerie Gennai v. SFWD, Claim No. 97 W 0019-4.

33. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant

Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.

Parties Negotiating: Nelson/Lymburn/Thompson/Malamut
City of Pleasanton

Under Negotiations: Terms and Conditions

No action was taken.

Commissioner Makras was excused at 5:20 p.m.

The Public Utilities Commission reconvened in open session.

34. Announcement following Closed Session.

President Caen announced the actions taken during the Closed Session.

35. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Werbe, not to disclose the discussion during the Closed Session; passed (4-0) unanimously.

Thereupon, the meeting was adjourned: 5:24 P.M.

Romaine A. Boldridge
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

August 25, 1998
2:30 P.M.

Room 402
1155 Market Street, Fourth Floor

COMMISSIONERS

Ann Moller Caen, President
Robert K. Werbe, Vice President
E. Dennis Normandy
Victor G. Makras
Frank L. Cook

DOCUMENTS DEPT.

AUG 24 1998

SAN FRANCISCO
PUBLIC LIBRARY

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Utilities Engineering Bureau
Environmental Regulation and Management
Finance
Management Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call (415) 923-6142. Accessible curb side parking has been designated at points in the vicinity of the meeting location adjacent to the Main Library.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancements system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

CLOSED SESSION

3. Public Comments on matters to be discussed in Closed Session.
4. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING:

5. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating: Nelson/Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiations: Terms and Conditions

6. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Klein/Milstein)

Existing Litigation: Bay Delta Hearings before the State Water Resources Control Board

CLOSED SESSION — CONTINUED

7. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Simpson)

Existing Litigation: Yee v. City and County of San Francisco
Superior Court No. 980-740

8. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and
San Francisco Administrative Code Section 67.11(b): (Carmichael/Furman)

Anticipated Litigation: As Defendant - 2 cases

9. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):
(Moran/Modena)

Anticipated Litigation: As Defendant
Plaintiff Unnamed

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

10. Announcement following Closed Session.

11. Motion regarding whether to disclose the discussion during Closed Session.

ADJOURNMENT

82
3
125/98
paul
2 30
e 3

MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

August 25, 1998
2:30 P.M.
Room 402
1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

OCT 02 1998

SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

Ann Moller Caen, President
Robert K. Werbe, Vice President
E. Dennis Normandy
Victor G. Makras
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Management Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

1. Call to Order: 2:30 P.M.
2. Roll Call: Present - President Ann Moller Caen, Vice President Robert K. Werbe, Commissioner E. Dennis Normandy, Commissioner Frank L. Cook
Excused - Commissioner Victor G. Makras

CLOSED SESSION

3. Public Comments on matters to be discussed in Closed Session.

There were none.

4. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to assert the attorney-client privilege; passed (4-0) unanimously.

The Public Utilities Commission met in Closed Session from 2:35 p.m. to 3:30 p.m. to discuss the following matters:

5. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating: Nelson/Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiations: Terms and Conditions

No action was taken.

6. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Bay Delta Hearings before the State Water Resources Control Board

No action was taken.

7. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Yee v. City and County of San Francisco
Superior Court No. 980-740

Moved by Commissioner Werbe, seconded by Commissioner Normandy, to approve a settlement for Item 7; passed (4-0) unanimously.

Resolution No. 98-0209: Authorizing the City to agree to release, discharge, defend and indemnify Ruiz, Haley, EPC and Underground from all claims, actions, and causes of action for damages caused by the Seacliff Sinkhole incident, as part of the settlement in the consolidated actions entitled *Yee v. City and County of San Francisco, and consolidated actions*, San Francisco Superior Court No. 980-740.

8. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and San Francisco Administrative Code Section 67.11(b):

Anticipated Litigation: As Defendant - 2 cases

No action was taken.

9. Conference with Legal Counsel - Pursuant to Government Code Section 54956(b)(c):

Anticipated Litigation: As Defendant
Plaintiff Unnamed

No action was taken.

The Public Utilities Commission reconvened in open session.

10. Announcement following Closed Session.

President Caen announced the actions taken during Closed Session.

11. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Werbe, not to disclose the discussion during the Closed Session; passed (4-0) unanimously.

Thereupon, the meeting was adjourned: 3:32 P.M.

Romaine A. Boldridge
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

1st Posted 8/20/98 ✓
DOCUMENTS DEPT.

AUG 24 1998

SAN FRANCISCO
PUBLIC LIBRARY

SPECIAL MEETING

August 25, 1998
4:00 P.M.

*Southeast Community Facility Community Meeting Room
1800 Oakdale Avenue, San Francisco*

COMMISSIONERS

Ann Moller Caen, President
Robert K. Werbe, Vice President
E. Dennis Normandy
Victor G. Makras
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Management Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

Disability Access

The Public Utilities Commission meeting will be held in the Southeast Community Facility Community Meeting Room, 1800 Oakdale Avenue, San Francisco, CA. The Community Meeting Room is wheelchair accessible. The closest accessible BART station is the Glen Park Station. Accessible MUNI lines connecting the Glen Park BART Station and the Southeast Community Facility are the #23 Monterey, and #44 O'Shaunessy. The #24 Divisadero is another accessible MUNI line serving the meeting location. For information about MUNI accessible services call (415) 923-6142. Accessible parking is available in the Southeast Community Facility parking lot. There is ample off-street parking on Phelps and Oakdale Streets. Accessible integrated seating for persons with disabilities (including those using wheelchairs) will be available.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

REGULAR BUSINESS

8. Authorizing the Customer Service Bureau to offer Water Department customers various electronic water and sewer payment options including direct debit, PC home banking and consolidated pay-by-phone from a checking account. (Mullane)
9. Authorizing the Customer Service Bureau to offer Water Department customers a pay-by-phone option utilizing credit cards. (Mullane)

LEASES AND PERMITS

10. Authorizing the General Manager of Public Utilities to execute a permit with Alameda County Flood Control and Water Conservation District, Water Resources Management, Zone 7 to access the Bernal Property adjacent to the Arroyo de la Laguna to conduct biological and cultural surveys and geotechnical exploration along riparian areas. (Dowd)
11. Authorizing the General Manager of Public Utilities to execute a permit with the County of Alameda, Public Works Agency for repairs and bank stabilization to Arroyo de la Laguna and Sinbad Creek in Sunol.
12. Authorizing the General Manager of Public Utilities to execute a permit with the City of San Bruno, for an existing roadway and landscaping, and installation of underground utility facilities on a portion of Parcels 9 and 11 of the former Muni right of way in San Bruno. (Dowd)
13. Authorizing the General Manager of Public Utilities to execute a permit with YMCA of San Francisco, Stonestown Branch, for conducting a youth soccer program on a portion of Parcel 56 of San Francisco lands (aka Merced Manor Reservoir). (Dowd)

CONSTRUCTION CONTRACTS

Advertise

14. Approving the final plans and specifications and authorizing advertisement for bids for Hetch Hetchy Water and Power Contract No. HH-872, Moccasin Reservoir Gate Improvements; and approving the transfer of funds from "Moccasin Reservoir, Adjustable Weir" to "Moccasin Reservoir Gate Improvements". (Hintze)
15. Approving the final plans and specifications and authorizing advertisement for bids for Utilities Engineering Bureau Contract No. CW-129, Broadway/Bryant/Sonoma Streets Sewer Replacement. (Hintze)

CONSTRUCTION CONTRACTS — CONTINUED

Award

16. Awarding San Francisco Water Department Contract No. WD-2222, 8-Inch Ductile Iron Main Installation in Franklin Street between McAllister Street and Market Street and in McAllister Street between Franklin Street and Market Street, in the amount of \$783,780.00 (net) to the lowest responsive bidder, A. Ruiz Construction Co. & Assoc. (Continued from the meeting of August 11, 1998) (Hintze)
17. Awarding Clean Water Program Contract No. CW-100R, Yosemite/Egbert Sewer Enlargement Project, in the amount of \$6,531,865 to the lowest responsive bidder, JMB Construction. (Hintze)
18. Awarding San Francisco Water Department Contract No. WD-2208, Sunset Supply Pipeline Replacement, South San Francisco in the amount of \$282,500 to Shaw Pipelines, Inc. (Hintze)
19. Awarding San Francisco Water Department Contract No. WD-2263, Pave Various SFWD Roads in Alameda County, in the amount of \$412,995 to RGW Construction, Inc. (Hintze)
20. Awarding San Francisco Water Department Contract No. WD-2264, Security Fence Upgrade in San Mateo County, in the amount of \$185,700 to West Coast Fence, Inc. (Hintze)
21. Awarding San Francisco Water Department Contract No. WD-2233, 12-Inch Ductile Iron Feeder Main Installation in Pacific Avenue between Fillmore Street and Van Ness Avenue, in the amount of \$471,175 to J. Flores Construction Company, Inc. (Hintze)

PROFESSIONAL SERVICE CONTRACTS

22. Approving the Fourth Amendment to the Agreement with Trihey and Associates, increasing the contract by \$125,000 for a total contract amount not to exceed \$810,333, and extending the contract term to August 31, 1999. (Klein)

SPECIAL ORDER OF BUSINESS — 6:00 P.M.

23. Welcome

- a. The Southeast Community Facility Commission
- b. LOMO Afro-Haitian Dancers and Drummers

24. Presentation regarding sewer flooding in the Bayview/Hunters Point and southeast part of the City. — 5 mins. (Pla)

25. Presentation of the Southeast Water Pollution Control Plant Odor Control Master Plan. — 5 mins. (Loiacono)

26. Presentation regarding the Jamestown Avenue Water Service Project. — 5 mins. (Flores)

27. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

ADJOURNMENT

2
3
125/98
acial
1:00 p m
c.3

MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

August 25, 1998
4:00 P.M.
Room 402
1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

OCT 02 1998

SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

Ann Moller Caen, President
Robert K. Werbe, Vice President
E. Dennis Normandy
Victor G. Makras
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Management Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

1. Call to Order: 4:15 P.M.
2. Roll Call: Present - President Ann Moller Caen, Vice President Robert K. Werbe, Commissioner E. Dennis Normandy, Commissioner Frank L. Cook

Excused - Commissioner Victor G. Makras
3. Approval of Minutes

There were no minutes submitted.
4. Communications

President Caen requested staff to prepare a letter acknowledging those students who participated in the *1997 Project Pull Internship Program*.

Commissioner Cook reported that he attended a ceremony at SFPUC's Sunol Water Treatment Plant to present the USEPA award to staff of the Water Supply & Treatment Division and the Water Quality Bureau. He thanked Cheryl Davis and staff for organizing the event.
5. Introduction of Old/Ongoing Business by Commissioners

President Caen requested the Commission to review the Old/Ongoing Business list to see which items could be removed from the list.
6. Introduction of New Business by Commissioners

There was no new business introduced by Commissioners.
7. Report of the General Manager

Anson B. Moran, General Manager of Public Utilities, suggested some items that could be removed from the Old/Ongoing Business List as they were satisfied by staff's submission of separate memorandum to the Commission. Those were preservation of historic materials, registering a trademark for Hetch Hetchy bottled water; additional staffing for communication program; and implementation of the new PUC logo.

REGULAR

8. Authorizing the Customer Service Bureau to offer Water Department customers various electronic water and sewer payment options.

Mr. John Mullane, Manager, Customer Services Bureau, presented four alternative payment options for water and sewer bills that would be offered to customers. They were pay by credit card by phone, by direct debit, pay by phone from checking, and pay by PC (Home Banking). Commissioner Werbe suggested not to enter into long term contracts with the service provider as prices for these type of services are going down. Mr. Mullane stated that this was a three-year contract.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 8; passed (4-0) unanimously.

Resolution No. 98-0210: Authorizing the Customer Service Bureau to offer Water Department customers various electronic water and sewer payment options including direct debit, PC home banking and consolidated pay-by-phone from a checking account.

9. Authorizing the Customer Service Bureau to offer Water Department customers a pay-by-phone option utilizing credit cards.

Moved by Commissioner Cook, seconded by Commissioner Werbe, to adopt Item 9; passed (4-0) unanimously.

Resolution No. 98-0211: Authorizing the Customer Service Bureau to offer Water Department customers a pay-by-phone option utilizing credit cards.

LEASES AND PERMITS

10. Authorizing a permit with Alameda County Flood Control and Water Conservation District, Water Resources Management, Zone 7 to access the Bernal Property.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Item 10; passed (4-0) unanimously.

Resolution No. 98-0212: Authorizing the General Manager of Public Utilities to execute a permit with Alameda County Flood Control and Water Conservation District, Water Resources Management, Zone 7 to access the Bernal Property adjacent to the Arroyo de la Laguna to conduct biological and cultural surveys and geotechnical exploration along riparian areas.

11. Authorizing a permit with the County of Alameda, Public Works Agency for repairs and bank stabilization to Arroyo de la Laguna and Sinbad Creek in Sunol.

Moved by Commissioner Werbe, seconded by Commissioner Normandy, to adopt Item 11; passed (4-0) unanimously.

Resolution No. 98-0213: Authorizing the General Manager of Public Utilities to execute a permit with the County of Alameda, Public Works Agency for repairs and bank stabilization to Arroyo de la Laguna and Sinbad Creek in Sunol.

12. Authorizing a permit with the City of San Bruno, for use of a portion of Parcels 9 and 11 of the former Muni right of way in San Bruno.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 12; passed (4-0) unanimously.

Resolution No. 98-0214: Authorizing the General Manager of Public Utilities to execute a permit with the City of San Bruno, for an existing roadway and landscaping, and installation of underground utility facilities on a portion of Parcels 9 and 11 of the former Muni right of way in San Bruno.

13. Authorizing a permit with YMCA of San Francisco, Stonestown Branch, for conducting a youth soccer program.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 13; passed (4-0) unanimously.

Resolution No. 98-0215: Authorizing the General Manager of Public Utilities to execute a permit with YMCA of San Francisco, Stonestown Branch, for conducting a youth soccer program on a portion of Parcel 56 of San Francisco lands (aka Merced Manor Reservoir).

CONSTRUCTION CONTRACTS

Advertise

14. Authorizing advertisement for bids for Hetch Hetchy Water and Power Contract No. HH-872, Moccasin Reservoir Gate Improvements.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 14; passed (4-0) unanimously.

Resolution No. 98-0216: Approving the final plans and specifications and authorizing advertisement for bids for Hetch Hetchy Water and Power Contract No. HH-872, Moccasin Reservoir Gate Improvements; and approving the transfer of funds from "Moccasin Reservoir, Adjustable Weir" to "Moccasin Reservoir Gate Improvements".

15. Authorizing advertisement for bids for Utilities Engineering Bureau Contract No. CW-129, Broadway/Bryant/Sonoma Streets Sewer Replacement.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Item 15; passed (4-0) unanimously.

Resolution No. 98-0217: Approving the final plans and specifications and authorizing advertisement for bids for Utilities Engineering Bureau Contract No. CW-129, Broadway/Bryant/Sonoma Streets Sewer Replacement.

Award

16. Awarding San Francisco Water Department Contract No. WD-2222.
(Continued from the meeting of August 11, 1998)

Commissioner Cook recommended rebidding of the contract as A. Ruiz Construction's bid was \$98,000 above the engineer's estimate.

Commissioner Werbe noted that he had been seeing the same bidders in PUC contracts and he would like staff to implement an outreach program to let more people know about contract opportunities within PUC. He said he would also like to see a training program for disadvantaged contractors to help them learn the trades to start getting City contracts.

Commissioner Normandy commented that he supports the item due to the urgency of completing the project in time for the opening of City Hall.

Moved by Commissioner Normandy, seconded by Commissioner Werbe, to adopt Item 16; passed (3-1). Commissioner Cook voted no.

Resolution No. 98-0218: Awarding San Francisco Water Department Contract No. WD-2222, 8-Inch Ductile Iron Main Installation in Franklin Street between McAllister Street and Market Street and in McAllister Street between Franklin Street and Market Street, in the amount of \$783,780.00 (net) to the lowest responsive bidder, A. Ruiz Construction Co. & Assoc.

17. Awarding Clean Water Program Contract No. CW-100R, Yosemite/Egbert Sewer Enlargement Project.

Moved by Commissioner Cook, seconded by Commissioner Werbe, to adopt Item 17; passed (4-0) unanimously.

Resolution No. 98-0219: Awarding Clean Water Program Contract No. CW-100R, Yosemite/Egbert Sewer Enlargement Project, in the amount of \$6,531,865 to the lowest responsive bidder, JMB Construction.

On recommendation by President Caen, Commissioner Werbe moved, seconded by Commissioner Cook to approve Items 18 and 19 as consent items; passed (4-0) unanimously.

18. Resolution No. 98-0220: Awarding San Francisco Water Department Contract No. WD-2208, Sunset Supply Pipeline Replacement, South San Francisco in the amount of \$282,500 to Shaw Pipelines, Inc.

19. Resolution No. 98-0221: Awarding San Francisco Water Department Contract No. WD-2263, Pave Various SFWD Roads in Alameda County, in the amount of \$412,995 to RGW Construction, Inc.

20. Awarding San Francisco Water Department Contract No. WD-2264, Security Fence Upgrade.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 20; passed (4-0) unanimously.

Resolution No. 98-0222: Awarding San Francisco Water Department Contract No. WD-2264, Security Fence Upgrade in San Mateo County, in the amount of \$185,700 to West Coast Fence, Inc.

21. Awarding San Francisco Water Department Contract No. WD-2233.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Item 21; passed (4-0) unanimously.

Resolution No. 98-0223: Awarding San Francisco Water Department Contract No. WD-2233, 12-Inch Ductile Iron Feeder Main Installation in Pacific Avenue between Fillmore Street and Van Ness Avenue, in the amount of \$471,175 to J. Flores Construction Company, Inc.

PROFESSIONAL SERVICE CONTRACTS

22. Approving the Fourth Amendment to the Agreement with Trihey and Associates, increasing the contract by \$125,000 for a total contract amount not to exceed \$810,333, and extending the contract term to August 31, 1999.

Item 22 was removed from the agenda.

The meeting was recessed at 4:50 p.m and reconvened at 6:06 p.m..

SPECIAL ORDER OF BUSINESS - 6:00 P.M.

23. Welcome

a. The Southeast Community Facility Commission

Ms. Bobbrie Brown, President of the Southeast Community Facility Commission welcomed the Public Utilities Commission.

b. LOMO Afro-Haitian Dancers and Drummers

Julie Ann Middleton, introduced the Lomo Afro-Haitian dancers and the drummer. The Commission was delighted with their dance performance.

24. Presentation regarding sewer flooding in the Bayview/Hunters Point and southeast part of the City.

Michelle Pla, Manager for Clean Water Planning & Control, gave a presentation regarding flooding problems in the Bayview/Hunters Point area and showed maps of the problem areas.

25. Presentation of the Southeast Water Pollution Control Plant Odor Control Master Plan.

Jon Loiacono, Environmental Engineer from the Bureau of Water Pollution Control gave a presentation regarding projects that would help alleviate odor problems around the perimeter of the Southeast Water Pollution Control Plant. Mr. Loiacono indicated that \$185 million is needed to complete those odor control projects.

Mr. Loiacono advised that the public may call 557-6833 for odor complaints and 648-6882 to reach the offices of the Southeast Water Pollution Control Plant.

26. Presentation regarding the Jamestown Avenue Water Service Project.

Tony Flores, Manager, City Distribution Division, announced the completion of the Jamestown Water Service Project. The project addressed high pressure problems in water service areas from Jennings to Redondo Street.

President Caen signed a letter declaring an emergency for the repair of hydraulically inadequate sewers on Third Street and to make funds available for the project and to complete the project by winter this year.

President Caen announced that the Mayor was calling a press conference tomorrow with Supervisor Amos Brown to announce additional funding for projects addressed in staff's presentations.

27. Public Comments

The following individuals commented in support of implementing alternate solutions to the odor and flooding problems in the Bayview Hunters Point area: Imogene Hubbard, Member of Breast Cancer Action; Mark Phillips; Dorris M. Vincent; Jeff Marmer, Coalition for Better Wastewater Solutions; John Rosenblum, Coalition for Better Wastewater Solutions; Barbara Attard, Coalition for Better Wastewater Solutions; Claude Wilson, Executive Director of the Southeast Environmental Justice; and Lurilla Harris of Gray Panthers.

Ena Aguirre suggested that the PUC decide to stop the City of Brisbane from discharging their wastewater in San Francisco; require all new construction projects, such as the Mission Bay Development Project, to build their own wastewater plants; stop contributing to the General Fund and use that money to eliminate odor and flooding problems in Hunters Point and Bayview areas.

Tom Osher asked whether the department was ready for the year 2000. Mr. Moran stated that staff will be reporting to the Commission by the end of September on this matter.

Espanola Jackson and Sophie Maxwell commented about the need to go back to the master plan voted by the City in 1972 and implement solutions to fix the odor problems.

Carmen Ramirez, Chairman, San Francisco Neighborhood Alliance for Political Awareness, encouraged the Commission to listen carefully to the voice of the people.

Tomás Lee, representing Supervisor Tom Ammiano, commended PUC for opening up a forum with the public and allowing them to express their views. He stated that Supervisor Ammiano supports the concerns of the residents regarding wastewater problems.

Paul Hessinger from the Coalition for Better Wastewater Solutions, and Mike Thomas of SAFER commented in support of reviewing new technologies and alternative solutions to the sewage problems.

Celia Chan of SAFER encouraged the Commission to not contribute to the pollution in the San Francisco Bay.

Karen Pierce of the Bayview Hunters Point Health and Environmental Assessment Task Force urged the Commission not to use bleach for odor control as bleach is an irritant for individuals suffering from asthma.

Norma Jo Waxman, Assistant Clinical Professor at the University of San Francisco, commented in opposition to chlorinating sewage and urged the Commission to study alternative technologies and decentralize sewage system. Dana Lanza from the Literacy for Environmental Justice also expressed opposition to the use of chlorine and support in finding a more sustainable solution to odor problems.

Supervisor Sue Bierman expressed concerns about the use of chlorine in treating sewage and urged the Commission to find solutions to wastewater treatment.

Mike Lozcav, Executive Director, Baykeeper, expressed his support in separating the storm system for Mission Bay and taking sanitary waste offline.

Chris Crews of the Surfrider Foundation urged the Commission to look at a new waste water master plan and to study new alternative wastewater methods.

Elizabeth Mettling, Miraloma Park Improvement Club, expressed opposition to the Crosstown Tunnel alternative.

Basheem Allah of the Southeast Alliance for Environmental Justice commented about undrinkable water and sewage odor problems.

Supervisor Amos Brown urged the Commission to take actions to correct the stench of the treatment facilities and sewage overflow.

President Caen directed staff to look at the overall sewage situation throughout the City and directed staff to form a citizen committee that would work directly with PUC on this issue.

Thereupon, the meeting was adjourned: 8:02 P.M.

Romaine A. Boldridge
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

September 3, 1998
1:45 P.M.

Room 402
1155 Market Street, Fourth Floor

COMMISSIONERS

Ann Moller Caen, President
Robert K. Werbe, Vice President
E. Dennis Normandy
Victor G. Makras
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Management Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

DOCUMENTS DEPT.

SEP 02 1998

SAN FRANCISCO
PUBLIC LIBRARY

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call (415) 923-6142. Accessible curb side parking has been designated at points in the vicinity of the meeting location adjacent to the Main Library.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

CLOSED SESSION

3. Public Comments on matters to be discussed in Closed Session.
4. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTER:

5. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating: Nelson/Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiations: Terms and Conditions

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

6. Announcement following Closed Session.

7. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

2
3
6/98
cc:cl
3

MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

September 3, 1998
1:45 P.M.
Room 402
1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

OCT 02 1998

SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

Ann Moller Caen, President
Robert K. Werbe, Vice President
E. Dennis Normandy
Victor G. Makras
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Management Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

1. Call to Order: 1:48 P.M.
2. Roll Call: Present - President Ann Moller Caen, Vice President Robert K. Werbe, Commissioner E. Dennis Normandy

Commissioner Frank L. Cook arrived at 1:52 p.m.

Commissioner Victor G. Makras arrived at 2:08 p.m.

CLOSED SESSION

3. Public Comments on matters to be discussed in Closed Session.

There were none.
4. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Werbe, seconded by Commissioner Normandy, to assert the attorney-client privilege; passed (3-0) unanimously.

The Public Utilities Commission met in Closed Session from 1:52 p.m. to 3:35 p.m. to discuss the following matter:

5. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating: Nelson/Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiations: Terms and Conditions

No action was taken.

The Public Utilities Commission reconvened in open session.

Commissioner Caen was excused. Commissioner Werbe presided.

6. Announcement following Closed Session.

Romaine A. Boldridge, Commission Secretary, announced that no action was taken during the Closed Session.

7. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Normandy, not to disclose the discussion during the Closed Session; passed (4-0) unanimously.

Thereupon, the meeting was adjourned: 3:40 P.M.

Romaine A. Boldridge
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

1st Posted 9/10/98
DOCUMENTS DEPT.
SEP 14 1998
SAN FRANCISCO
PUBLIC LIBRARY

REGULAR MEETING

September 15, 1998
1:00 P.M.
Room 402
1155 Market Street, Fourth Floor

COMMISSIONERS

Ann Moller Caen, President
Robert K. Werbe, Vice President
E. Dennis Normandy
Victor G. Makras
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Management Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call (415) 923-6142. Accessible curb side parking has been designated at points in the vicinity of the meeting location adjacent to the Main Library.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

REGULAR BUSINESS

9. Requesting the Board of Supervisors' approval to accept a gift of five post-top streetlights and poles valued at \$11,210 from a group of residents of 21st Street between Noe and Sanchez Streets. (Klein)
10. Authorizing the General Manager of Public Utilities to sign the Wastewater Agency Response Network Agreement which provides for mutual assistance between the Water Pollution Control Division and other wastewater agencies in the State of California. (Keaney)
11. Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission for Clean Water Program Contract No. CW-155, York Street Emergency Sewer Replacement, and requesting the Board of Supervisors' approval of expenditure of funds for emergency repairs. (Hintze)
12. Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission for Clean Water Program Contract No. CW-181, Central Avenue Emergency Sewer Replacement, and requesting the Board of Supervisors' approval of expenditure of funds for emergency repairs. (Hintze)
13. Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission for Clean Water Program Contract No. CW-156, 425 Noriega Street Emergency Sewer Replacement, and requesting the Board of Supervisors' approval of expenditure of funds for emergency repairs. (Hintze)
14. Presentation regarding the Southeast Water Pollution Control Plant Anaerobic Digestion Upgrade Project. (Loiacono)
15. To present the organization, functions, schedule and budget for Program Management and discuss contractual performance requirements and cost controls. (Williams)
16. Report on the progress of the implementation of the Revised Draft of the Lake Merced Comprehensive Management Plan. (Carlin)

LEASES AND PERMITS

17. Authorizing the General Manager of Public Utilities to execute a lease with Mission Valley Rock Company, for approximately 2.1 acres of PUC land located on a portion of Parcel 65 of Alameda County lands and a portion of Hetch Hetchy Parcel 1313 in Sunol, California for use of an access roadway and existing bridge. (Dowd)

CONSTRUCTION CONTRACTS

Award

18. Awarding San Francisco Water Department Contract No. WD-2247, BDPL Nos. 1 and 2 Timber Trestle and Valve House Repairs - Contract 4 of 5, in the amount of \$1,044,900 to Miller/Thompson Constructors, Inc. (Hintze)

Amend

19. Approving the plans and specifications for the added scope of work and the revised MBE/WBE subcontracting goals for San Francisco Water Department Contract No. WD-2242, Thomas Shaft Chlorination Facility Improvement, Phase 1, Emergency Disinfection Station; and authorizing transfer of \$1,333,505 from the Lawrence Livermore Filtration Plant Project. (Hintze)

Close

20. Accepting the work performed for Clean Water Program Contract No. 1376N, Jackson Street Sewer Replacement, as satisfactorily completed; approving contract modification No. 2 in the credit amount of \$13,017; and approving final payment in the amount of \$1,522 to the contractor, Ramirez Engineering Corporation. (Hintze)
21. Accepting the work performed for Clean Water Program Contract No. 1384N, Glover Street Sewer Replacement, as satisfactorily completed; approving contract modification No. 1 in the credit amount of \$15,275 and time extension of 14 days; and approving final payment in the amount of \$6,417.50 to Ramirez Engineering Corporation. (Hintze)

PROFESSIONAL SERVICE CONTRACTS

Award

22. Authorizing the Manager of the Bureau of Environmental Regulation and Management to establish and use a pool of qualified environmental consulting firms to undertake environmental impact assessments required by the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) for large construction projects. (Medbery)

Amend

23. Authorizing the General Manager of Public Utilities to continue an existing relationship with Martha Lenniham to provide legal services on water supply matters, increasing the contract funding by \$72,000 and extending the contract term to December 31, 1999. (Klein)

Advertise

24. Authorizing the Manager of the Bureau of System Planning & Regulatory Compliance to issue a Request for Proposals to a pool of qualified environmental consulting firms; and negotiate and execute a cost plus fixed fee contract with the selected consultant firm/team to prepare the initial study and environmental impact report for the Southeast Water Pollution Control Plant Solids Handling and Odor Control Project for an amount not to exceed \$1,000,000. (Pla)

CLOSED SESSION

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS:

25. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a): (Abad)

Existing Litigation: Allstate Ins., Subrogee of Quentin Thompson,
Case No. 97 W 6026-2.

26. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Haase)

Existing Litigation: Abram Katz, Claim No. 98-01229

27. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and
Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal
Avenue in Alameda County.
Parties Negotiating: Nelson/Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiations: Terms and Conditions

28. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Portions of Parcel 65 in Sunol, Alameda County
Parties Negotiating: CCSF - Dowd/Sullivan/Milstein
Lessee: Mission Valley Rock/RMC Lonestar
Under Negotiation: Price and Terms

29. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Bay Division Pipeline 1 and 2 right of way, Parcel 2007(1), Menlo
Park
Parties Negotiating: CCSF - Dowd/Sullivan
Grantee: Hansen PSC, Inc.
Under Negotiation: Price and Terms

30. Public Comments on matters to be discussed in Closed Session.

31. Motion on whether to assert the attorney-client privilege regarding the matters listed above as
Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

32. Announcement following Closed Session.

33. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

NOTICE OF PUBLIC HEARING

The Public Utilities Commission will hold a public hearing on Tuesday, October 13, 1998 at 1:00 p.m. in Room 402, 1155 Market Street, San Francisco, California to consider findings in fact and judgment under Section 16.103 of the Charter of the City and County of San Francisco relating to the transfer of a total of \$42,703,273 to the general fund from Hetch Hetchy Water and Power.

2
5/98
cial
3

MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

**Willie L. Brown, Jr.
MAYOR**

SPECIAL MEETING

**September 15, 1998
1:00 P.M.
Room 402
1155 Market Street, Fourth Floor**

DOCUMENTS DEPT.
OCT 20 1998
SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

**Ann Moller Caen, President
Robert K. Werbe, Vice President
E. Dennis Normandy
Victor G. Makras
Frank L. Cook**

DEPARTMENTS

**Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program
Water Pollution Control**

BUREAUS

**Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Management Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Utilities Engineering Bureau
Water Quality**

**Anson B. Moran
GENERAL MANAGER**

**Romaine A. Boldridge
SECRETARY**

1. Call to Order: 1:10 P.M.
2. Roll Call: Present - President Ann Moller Caen, Commissioner Victor G. Makras, Commissioner Frank L. Cook

Commissioner E. Dennis Normandy arrived at 1:18 p.m.

Vice President Robert K. Werbe was excused.

3. Approval of Minutes

There were no minutes submitted.

4. Communications

No action was taken.

5. Introduction of Old/Ongoing Business by Commissioners

No action was taken.

6. Introduction of New Business by Commissioners

There was no new business introduced by Commissioners.

7. Report of the General Manager

Commissioner Normandy arrived at 1:18 p.m.

Anson B. Moran, General Manager of Public Utilities, reported that staff gave presentations to Moody's and Standard & Poor on August 20, 1998 regarding the impact of Proposition H on PUC's financial condition. Mr. Moran stated that staff advised the rating agencies that PUC has a solid financial situation. He noted that the projections for the Water Department looked good in that Proposition H contemplated issuing bonds authorized under Propositions A and B and included provisions to raise rates to meet our debt service on the bonds. He said the Water Department could survive until year 2006 within authorities permitted under Proposition H. Mr. Moran noted that the Clean Water Program would be facing financial difficulty due to two reasons. Proposition H did not grandfather the ability to issue bonds and did not give

PUC the authority to raise rates to protect its debts. Mr. Moran noted that another cause of financial difficulty for CWP was a possible \$12 million shortfall for four years in the Clean Water Program's operating budget starting in year 2003 due to the rate stabilization fund being fully expended in year 2002.

Commissioner Caen suggested that staff consider cutting the budget by \$3 million a year for four years to augment the expected deficit.

Commissioner Makras commented that PUC should do whatever is necessary and possible to give the rating agencies that confidence that we will honor our debt to the bondholders. He said that because there is a perception that there is a freeze, we need to give them the confidence that whatever debt we have signed, we will honor it no matter what it takes. Proposition H says that we cannot raise rates. So, that begs the question - would we renege on a bond? Commissioner Makras said that from his perspective - that won't happen. If someone gave us their money, we have to pay them back. He said that if the economy changes in the next six years or whatever change takes place, it is the responsibility of this Commission and of this City to honor its debt. He said that this confidence would reflect in the ratings that the rating agencies would give PUC. Commissioner Makras suggested that staff prepare for the next Commission meeting a resolution affirming the Commission's intent to pay its debts. Mr. Moran stated that our bond covenants are existing contracts and nothing in Proposition H alters those contracts and obligations.

8. Public comments on matters that were not on today's agenda.

There were none.

REGULAR

9. Accepting a gift of five post-top streetlights and poles from a group of residents of 21st Street between Noe and Sanchez Streets.

Ms. Amy Powell, from the Dolores Heights Improvement Club, commented that the 40 residents in the block contributed money toward the purchase of the five streetlights. The streetlights conform with the historic lights already installed adjacent to their area.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 9; passed (4-0) unanimously.

Resolution No. 98-0224: Requesting the Board of Supervisors' approval to accept a gift of five post-top streetlights and poles valued at \$11,210 from a group of residents of 21st Street between Noe and Sanchez Streets.

10. Authorizing the Wastewater Agency Response Network Agreement between the Water Pollution Control Division and other wastewater agencies in the State of California.

Moved by Commissioner Makras, seconded by Commissioner Normandy, to adopt Item 10; passed (4-0) unanimously.

Resolution No. 98-0225: Authorizing the General Manager of Public Utilities to sign the Wastewater Agency Response Network Agreement which provides for mutual assistance between the Water Pollution Control Division and other wastewater agencies in the State of California.

On recommendation by President Caen, Commissioner Normandy moved, Commissioner Cook seconded to approve Items 11, 12 and 13 as consent items; passed (4-0) unanimously.

11. Resolution No. 98-0226: Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission for Clean Water Program Contract No. CW-155, York Street Emergency Sewer Replacement, and requesting the Board of Supervisors' approval of expenditure of funds for emergency repairs.
12. Resolution No. 98-0227: Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission for Clean Water Program Contract No. CW-181, Central Avenue Emergency Sewer Replacement, and requesting the Board of Supervisors' approval of expenditure of funds for emergency repairs.
13. Resolution No. 98-0228: Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission for Clean Water Program Contract No. CW-156, 425 Noriega Street Emergency Sewer Replacement, and requesting the Board of Supervisors' approval of expenditure of funds for emergency repairs.
14. Presentation regarding the Southeast Water Pollution Control Plant Anaerobic Digestion Upgrade Project.

Jon Loiacono, Project Manager, used electronic slides for his presentation regarding the Anaerobic Digestion Upgrade Project. Mr. Loiacono stated that a facility planning study conducted jointly by PUC staff, DPW, consultants and the Neighborhood

Advisory Group, presented various options for a new sludge digestion system to replace existing conventional type digesters at the Southeast Water Pollution Control Plant. Those options were to replace them with 95 ft. egg-shaped digesters, 65 ft. egg-shaped digesters, or waffle-bottom digesters, or to rebuild existing digesters with waffle-bottoms, or do a minimal rebuild. Mr. Loiacono noted that staff recommended the 95 ft. egg-shaped digesters that could cost an estimated \$85 million. The Neighborhood Advisory Group suggested using 65 ft. egg-shaped digesters and building an office space fronting on Phelps Street as a mitigation measure to minimize the visual impact of the digesters. This measure would cost \$45 million.

Commissioner Makras expressed concerns about developing an office building to mitigate the appearance of the digesters in the neighborhood. He suggested that if PUC were to go ahead with Plan A to build 95 ft. digesters, he would like first to see the Department of City Planning's opinion on whether the project conforms with the provisions of Proposition M. He noted that the Commission should advise staff which alternative they prefer to pursue. He also suggested that staff make a determination and policy decisions on which alternative is the most prudent and economical.

Commissioner Normandy concurred with Commissioner Makras' concerns. He stated that before directions could be given to staff, the Commission needed to know the reasonable height restriction for this type of structure based on architectural renderings showing silhouettes from various angles. He suggested that staff find more creative solutions to accommodate the community's desire for mitigation.

Commissioner Cook commented about the need to consider the factors that impact building an office space. He stated that the Commission already receives so many complaints from the public about the plant and if we build an office space there we would be getting the same complaints from occupants of the building.

President Makras asked about the possibility of changing locations. Mr. Loiacono responded that moving the digesters offsite will require moving other buildings like the dewatering facility and that would cost more money.

Staff will return to the Commission and show photo enhancements of the proposed digesters showing the various alternative shapes at various angles.

15. To present the organization, functions, schedule and budget for Program Management and discuss contractual performance requirements and cost controls.

Ms. Mary Williams of the Utilities Engineering Bureau gave a presentation using electronic slides. Ms. Williams talked about program management, the needs of PUC in relation to capital program management, program functions, tasks, scheduling, budget, and contract control.

Ms. Williams reported that staff was proposing a program management organization that includes a senior executive function and a program management core team. The chief executive officer of the consultant would report to the Commission and the General Manager of PUC regarding policy issues and matters involving business decisions for program direction. The Core function will report to the Manager of the Utilities Engineering Bureau and will be responsible for program progress and results. Mr. Moran noted that establishing a Core Team limits a long term relationship to just a group of five people with known deliverables with a beginning and an end. He said staff had decided that there should be a signal project that indicates when the program manager could exit and PUC staff would be ready to take over the whole program. Staff was considering the Sunol Valley Water Treatment Plant Third Expansion Project as the signal project.

Ms. Williams stated that program management could be monitored and controlled through the proposal review process, contract renewal every four years, annual performance review, negotiation of scope annually, and quarterly progress reports.

Ms. Williams reported on the fees paid by other water agencies for program management services. Some of those agencies she mentioned were the Southern Nevada Water Authority (\$50 million with cost savings of \$240 million); City of Houston (\$200 million with achieved cost savings of \$350 million) and San Diego (\$120 million).

Commissioner Makras requested a comparison of the cost of hiring City staff versus the cost of hiring a program manager.

Commissioner Makras requested that staff calendar an item that establishes a policy for renewing contracts using four years as a benchmark for all contracts.

16. Report on the progress of the implementation of the Revised Draft of the Lake Merced Comprehensive Management Plan.

Michael Carlin, Acting Manager, Bureau of System Planning & Regulatory Compliance gave a presentation using electronic slides. He reported that the project is currently in Phase 1 and would be completed by the end of this fiscal year.

Mr. Carlin announced that a public meeting is scheduled for tomorrow evening at the Oceanside Water Treatment Plant.

Commissioner Normandy commented that he would like to see a baseline assessment by staff on how the water level at Lake Merced can be restored. He suggested that staff identify priorities and develop a critical path quickly and communicate to the public that the PUC is fast tracking the project.

Commissioner Makras directed staff to provide the Commission with information regarding how much money is needed, what does it take to raise the water at Lake Merced and how could the water be maintained at the same level.

President Caen directed staff to return to the Commission in two meetings and respond to questions raised by the members of the Commission.

Note: Discussion of Item 17 was deferred until after the Closed Session.

Announcement

President Caen announced the resignation of Utilities General Counsel, Thomas M. Berliner. Each Commissioner expressed their appreciation to Mr. Berliner for his commitment in providing sound legal advice to the PUC during his tenure as Utilities General Counsel.

CONSTRUCTION CONTRACTS

Award

18. Awarding San Francisco Water Department Contract No. WD-2247, BDPL Nos. 1 and 2 Timber Trestle and Valve House Repairs - Contract 4 of 5, in the amount of \$1,044,900 to Miller/Thompson Constructors, Inc.

Moved by Commissioner Caen, seconded by Commissioner Normandy, to adopt Item 18; motion failed (2-2). Commissioner Makras and Commissioner Cook voted no.

Commissioner Makras commented that he would vote against the motion as he believed that it would be in the PUC's best interest to rebid the contract. He said that the engineer's estimate was very low that there would be an opportunity to lure more contractors to bid if this contract were rebid. He also expressed concerns regarding inconsistencies in the length of experience required and the fact that the first bidder was told that the contract would be rebid. Mr. Everett Hintze, Manager of Utilities Engineering Bureau, responded that work on this contract should start October 1, 1998 and be completed at the end of February 1999. He noted that there is a risk that portions of timber trestles may collapse between now and next year if the repair was not done on time.

Commissioner Makras recommended that staff renegotiate the price with the contractor and report to the Commission at the next meeting and demonstrate the importance of the project.

Amend

19. Approving the plans and specifications for added scope of work and the revised MBE/WBE subcontracting goals for San Francisco Water Department Contract No. WD-2242.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 19; passed (4-0) unanimously.

Resolution No. 98-0230: Approving the plans and specifications for the added scope of work and the revised MBE/WBE subcontracting goals for San Francisco Water Department Contract No. WD-2242, Thomas Shaft Chlorination Facility Improvement, Phase 1, Emergency Disinfection Station; and authorizing transfer of \$1,333,505 from the Lawrence Livermore Filtration Plant Project.

Close

20. Accepting the work performed for Clean Water Program Contract No. 1376N, Jackson Street Sewer Replacement, as satisfactorily completed; approving contract modification No. 2 in the credit amount of \$13,017; and approving final payment in the amount of \$1,522 to the contractor, Ramirez Engineering Corporation.

Mr. Hintze noted that Ramirez Engineering Corporation did not meet the MBE/WBE goals for this contract. The Human Rights Commission recommended that Ramirez not be penalized on this contract if they make it up in another contract. Ramirez Corp. subsequently met the goals in another contract and HRC ruled that Ramirez Corporation had made a good faith effort by making up the work on another contract.

Commissioner Cook commented that it is not acceptable that people cannot comply with what they were contracted to perform and not get penalized for not complying.

Commissioner Makras recommended that Ramirez Corporation should be barred from getting jobs for so many months from PUC and whatever MBE/WBE participation goals they did not meet should be subtracted from their contract payment. He suggested that staff and HRC explore whatever options are available in closing the contract.

Moved by Commissioner Makras, seconded by Commissioner Normandy, to continue Item 20 to the call of the Chair; passed (4-0) unanimously.

21. Accepting the work performed for Clean Water Program Contract No. 1384N, Glover Street Sewer Replacement, as satisfactorily completed; approving contract modification No. 1 in the credit amount of \$15,275 and time extension of 14 days; and approving final payment in the amount of \$6,417.50 to Ramirez Engineering Corporation.

Moved by Commissioner Makras, seconded by Commissioner Normandy, to continue Item 21 to the call of the Chair; passed (4-0) unanimously.

PROFESSIONAL SERVICE CONTRACTS

Award

22. Authorizing the use of a pool of qualified environmental consulting firms to undertake environmental impact assessments for large construction projects.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt Item 22; passed (4-0) unanimously.

Resolution No. 98-0231: Authorizing the Manager of the Bureau of Environmental Regulation and Management to establish and use a pool of qualified environmental consulting firms to undertake environmental impact assessments required by the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) for large construction projects.

Amend

23. Authorizing the continuance of an existing relationship with Martha Lenniham to provide legal services on water supply matters.

Mr. Thomas M. Berliner, Utilities General Counsel, commented that there is no commitment to spend the \$72,000 requested in this contract. Mr. Berliner noted that the contract allows PUC to prepare for the next legislative session that starts in January and to react to what is going on in the water industry,

Commissioner Makras expressed concerns as to what point other contractors would have the opportunity to bid on this PUC contract. He suggested rebidding all contracts every four years no matter how good a contractor is so that we could maintain a better check and balance in all our contracts.

Commissioner Normandy suggested extending the contract to the end of the legislative session in September 1999 and approving the additional funding requested by staff. Commissioner Cook suggested that in the interim, staff should start the process to rebid.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 23 as amended; passed (4-0) unanimously.

Resolution No. 98-0232: Authorizing the General Manager of Public Utilities to continue an existing relationship with Martha Lennihan to provide legal services on water supply matters, increasing the contract funding by \$72,000 and extending the contract term to September 30, 1999.

Advertise

24. Authorizing issuance of a Request for Proposals to prepare the initial study and environmental impact report for the Southeast Water Pollution Control Plant Solids Handling and Odor Control Project.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 24 as amended; passed (4-0) unanimously.

Resolution No. 98-0233: Authorizing the Manager of the Bureau of System Planning & Regulatory Compliance to issue a Request for Proposals to a pool of qualified environmental consulting firms; and negotiate and execute a cost plus fixed fee contract with the selected consultant firm/team to prepare the initial study and environmental impact report for the Southeast Water Pollution Control Plant Solids Handling and Odor Control Project for an amount not to exceed \$1,000,000.

CLOSED SESSION

The Public Utilities Commission met in Closed Session from 3:34 p.m. to 5:45 p.m. to discuss the following matters:

25. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Allstate Ins., Subrogee of Quentin Thompson,
Case No. 97 W 6026-2.

Moved by Commissioner Makras, seconded by Commissioner Normandy, to adopt Item 25; passed (4-0) unanimously.

Resolution No. 98-0234: Approving a settlement in the claim of Allstate Ins.
Subrogee of Quentin Thompson , Case No. 97W 6026-2.

26. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Abram Katz, Claim No. 98-01229

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt Item 26;
passed (4-0) unanimously.

Resolution No. 98-0235: Approving a settlement in the claim of Abram Katz, Claim
No. 98-01229.

27. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c)
and Conference with Real Property Negotiator - Pursuant to Government Code Section
54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on
Bernal Avenue in Alameda County.
Parties Negotiating: Nelson/Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiations: Terms and Conditions

No action was taken.

28. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property:	Portions of Parcel 65 in Sunol, Alameda County
Parties Negotiating:	CCSF - Dowd/Sullivan/Milstein
Lessee:	Mission Valley Rock/RMC Lonestar
Under Negotiation:	Price and Terms

No action was taken.

29. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property:	Bay Division Pipeline 1 and 2 right of way, Parcel 2007(1), Menlo Park
Parties Negotiating:	CCSF - Dowd/Sullivan
Grantee:	Hansen PSC, Inc.
Under Negotiation:	Price and Terms

No action was taken.

30. Public Comments on matters to be discussed in Closed Session.

There were no public comments.

31. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to assert the attorney-client privilege; passed (4-0) unanimously.

Note: Commissioner Normandy was excused at 5:10 p.m.

At 5:45 p.m. the Public Utilities Commission reconvened in an open session.

32. Announcement following Closed Session.

President Caen announced the actions taken during the Closed Session.

33. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Makras, not to disclose the discussion during the Closed Session; passed (3-0) unanimously.

LEASES AND PERMITS

17. Authorizing a lease with Mission Valley Rock Company, for approximately 2.1 acres of PUC land located on a portion of Parcel 65 of Alameda County lands and a portion of Hetch Hetchy Parcel 1313 in Sunol, California.

Commissioner Makras recommended approval of the lease on a month-to-month tenancy. He stated that the Commission would fully cooperate with the tenant, but it is not in the City's best interest to commit to a long term lease since there will be movement in the Sunol area. The Commission should not put restraints on possible future leases and other issues that may come up in the region.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt Item 17; passed (4-0) unanimously.

Resolution No. 98-0229: Authorizing the General Manager of Public Utilities to execute a month-to-month tenancy agreement with Mission Valley Rock Company, for approximately 2.1 acres of PUC land located on a portion of Parcel 65 of Alameda County lands and a portion of Hetch Hetchy Parcel 1313 in Sunol, California for use of an access roadway and existing bridge.

Thereupon, the meeting was adjourned: 5:50 P.M.

Romaine A. Boldridge
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

September 29, 1998

1:00 P.M.

Room 402

1155 Market Street, Fourth Floor

COMMISSIONERS

Ann Moller Caen, President
Robert K. Werbe, Vice President
E. Dennis Normandy
Victor G. Makras
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Management Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

1st - Post 9/24/98
DOCUMENTS DEPT.
SEP 29 1998
SAN FRANCISCO
PUBLIC LIBRARY

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call (415) 923-6142. Accessible curb side parking has been designated at points in the vicinity of the meeting location adjacent to the Main Library.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a. Association of Metropolitan Sewer Agencies Awards (Pla)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

REGULAR BUSINESS

9. Adopting environmental findings (and a statement of overriding considerations) pursuant to the California Environmental Quality Act (CEQA) in connection with approval and recommendation of the Mission Bay North and Mission Bay South Interagency Cooperation Agreements. (Prowler/Stacy)
10. Approving the Mission Bay North Interagency Cooperation Agreement; and recommending approval of the Agreement to the Mayor, the Board of Supervisors, and the Director of Public Works. (Prowler)
11. Approving the Mission Bay South Interagency Cooperation Agreement; and recommending approval of the Agreement to the Mayor, the Board of Supervisors, and the Director of Public Works. (Prowler)
12. Adopting the 1998/99 Housing Budget; charging the discount rent of \$50.00 per room per month; and directing the General Manager of Public Utilities to develop options for the use of "Excess" housing, solicit the services of a property manager to manage the PUC's residential properties, and conclude discussions regarding charging full market rents and charging for utilities. (Continued from the meeting of August 11, 1998). (Moran)
13. Review of PUC overtime spending and policies and procedures for managing the use of overtime. (Carmichael)
14. Authorizing the General Manager of Hetch Hetchy Water and Power to extend the Energy Services Agreement with the State of California for an additional year. (Klein)
15. Authorizing the General Manager of Public Utilities to enter into a five-year agreement, with Western Area Power Administration (WAPA) expiring December 31, 2004, to purchase low cost Federal National Defense Authorization (NDA) Act power at a value not to exceed \$2,500,000. (Klein)

16. Authorizing the General Manager of Public Utilities to enter into a long term interconnection agreement with the Port of Oakland to facilitate the delivery of low cost Federal National Defense Authorization Act power from the Western Area Power Administration to Treasure Island and Yerba Buena Island. (Klein)
17. Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission for Clean Water Contract No. CW-176, Vallejo Street Emergency Sewer Replacement, and requesting the Board of Supervisors to approve the expenditure of funds. (Hintze)

LEASES AND PERMITS

18. Authorizing the General Manager of Public Utilities to execute a revocable permit with the City of Burlingame to inspect a 30-inch cross connection pipeline and conduct geotechnical excavation on the westerly portion of the Silva tract property in Millbrae. (Dowd)

CONSTRUCTION CONTRACTS

Advertise

19. Approving the final plans and specifications for Clean Water Contract No. CW-161, 5th Avenue/ 21st Avenue/California Street Sewer Replacement; and authorizing advertisement for proposals. (Hintze)

Award

20. Awarding the San Francisco Water Department Contract No. WD-2247, BDPL Nos. 1 and 2 Timber Trestle and Valve House Repairs - Contract 4 of 5, in the amount of \$1,020,900 to the lowest responsive and responsible bidder, Miller/Thompson Constructors, Inc. (Continued from the meeting of September 15, 1998). (Hintze)
21. Awarding Hetch Hetchy Contract No. HH-883, Hetch Hetchy Water and Power Roofing Project to the lowest responsive bidder, Pioneer Roofing Organization. (Hintze)

Close

22. Accepting the work performed under Hetch Hetchy Contract HH-838, Holm Penstock Slope Stabilization as complete; approving Contract Modification No. 1 in the amount of \$36,711.85 and contract extension of 65 days; and approving final payment in the amount of \$40,100 to the contractor, Engineered Soil Repairs, Inc. (Hintze)

PROFESSIONAL SERVICE CONTRACTS

Advertise

23. Authorizing the General Manager of Hetch Hetchy Water & Power to solicit proposals from qualified firms to provide as-needed energy engineering services to support Hetch Hetchy/Bureau of Energy Conservation programs, for a total cost not to exceed \$920,000 over four years. (Klein)

Amend

24. Amending the professional services contract with The Planning Collaborative in the amount of \$330,000 to complete the documentation and processing of the Bernal Property land use and providing support services for the possible disposition of the property; and eliminating the payment retainage to allow full reimbursement to subconsultants. (Nelson)

CLOSED SESSION

25. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant

Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.

Parties Negotiating: Nelson/Lymburn/Thompson/Malamut
City of Pleasanton

Under Negotiations: Terms and Conditions

26. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property:	Portions of Parcel 65 in Sunol, Alameda County
Parties Negotiating:	CCSF - Dowd/Sullivan/Milstein
Lessee:	Mission Valley Rock/RMC Lonestar
Under Negotiation:	Price and Terms

27. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property:	Bay Division Pipeline 1 and 2 right of way, Parcel 2007(1), Menlo Park
Parties Negotiating:	CCSF - Dowd/Sullivan
Grantee:	Hansen PSC, Inc.
Under Negotiation:	Price and Terms

28. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a): (Huey)

Existing Litigation:	Allstate Insurance Company Subrogee of Barbara Goad, Claim No. 96-W-5058-2.
----------------------	---

29. Public Comments on matters to be discussed in Closed Session.

30. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

The Public Utilities Commission will go into Closed Session to discuss above listed Closed Session matters.

Following the Closed Session, the Public Utilities Commission will reconvene in Open Session.

31. Announcement following Closed Session.

32. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

City and County of San Francisco
Public Utilities Commission
1155 Market Street, 4th Floor
San Francisco, CA 94103

#41
Main Public Library
Government Information Center
100 Larkin Street, 5th Floor

MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

September 29, 1998
1:00 P.M.
Room 402
1155 Market Street, Fourth Floor

DOCUMENTS DEPT
NOV 20 1998
SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

Ann Moller Caen, President
Robert K. Werbe, Vice President
E. Dennis Normandy
Victor G. Makras
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Management Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

1. Call to Order: 1:06 P.M.
2. Roll Call: Present - President Ann Moller Caen, Vice President Robert K. Werbe, Commissioner E. Dennis Normandy, Commissioner Victor G. Makras, Commissioner Frank L. Cook

3. Approval of Minutes

Moved by Commissioner Werbe, seconded by Commissioner Normandy, to approve the Minutes for the PUC meetings listed below; passed (5-0) unanimously.

- a) Regular meeting of August 11, 1998
- b) Special Meeting of August 25, 1998 - 2:30 P.M.
- c) Special Meeting of August 25, 1998 - 4:00 P.M.
- d) Special Meeting of September 3, 1998

4. Communications

No action was taken.

5. Introduction of Old/Ongoing Business by Commissioners

Commissioner Caen inquired about the policy requested by the Commission regarding contract renewal. Mr. Moran responded that the matter was incorporated in Item 7CC, Consideration of a Policy on Contracting Procedure.

6. Introduction of New Business by Commissioners

There was no new business introduced by Commissioners.

7. Report of the General Manager

Michelle Pla, Acting Manager of the Bureau of System Planning & Regulatory Compliance, reported that two PUC offices were awarded the much coveted *Peak Performance Award* by the American Metropolitan Sewerage Agencies (AMSA) in recognition of complete and consistent national pollutant discharge elimination system permit compliance during 1997. The Gold Award was given to the Oceanside Water Pollution Control Plant and the Silver Award went to the Southeast Water Pollution Control Plant.

John Roddy, Deputy City Attorney, introduced Theresa Mueller, who recently joined the PUC legal team as counsel for energy related matters.

8. Public comments on matters that were not on today's agenda.

Tom Mayer, former owner of Roxy Cinema and Former President of North Mission Association, requested that the Commission expedite the repair of street lights on Capp Street between 15th and 26th Streets.

REGULAR

9. Adopting environmental findings in connection with approval and recommendation of the Mission Bay North and Mission Bay South Interagency Cooperation Agreements.

A transcript of the discussion of agenda items 9, 10 and 11 is made a part of these minutes.

David Prowler, Project Manager for the Mayor's Office, presented an overview of the Mission Bay Development project and process. Mr. Prowler showed maps of Mission Bay today and the proposed land uses. He stated that the agenda item was asking PUC to approve the environmental findings and mitigation measures in connection with the approval of the Mission Bay North and Mission Bay South Redevelopment projects. He spoke of the proposal to separate storm water from wastewater south of the channel, and to use a high efficiency vacuum truck that would clean the streets. He said storm water drainage will go through two to three levels of treatment before it goes to the bay.

In response to Commissioner Makras' concern regarding financing for the project, Mr. Prowler stated that sewer rates would not be increased but the increase in property tax revenues when the project is fully developed would pay for the new infrastructure. Catellus Development Corporation would front the money and use it for development of the infrastructure. The City will buy the infrastructures once we start getting increments generated from new taxes.

Commissioner Werbe inquired about toxic clean up of the area particularly those sites intended for parks and playgrounds. Elaine Warren, Deputy City Attorney, responded that Catellus Development Corporation did a detailed investigation of the property and determined that the property is not that toxic as it is. For playgrounds and places that are uncovered, she said they would decontaminate the surface and put clean fill over it. She noted that the approach taken by the Regional Board and the State Department of Toxic Substances Control was that they will require selective removal of contaminants on areas defined as hot spots. Commissioner Makras asked

whether the same clean up standard used for developments in Mission Bay would apply to developments throughout all of San Francisco. Ms. Warren replied that this is pretty much the policy being applied. This site is unusual in that the Regional Water Board is overseeing the site. Typically, the City's Department of Public Health would oversee the cleanup. She said that one of the features of this approach is that the property would have a deed restriction recorded on it so that the restriction would be passed from owner to owner.

Doug Gardner, Senior Vice President of Catellus, stated that the firm had been asked to fund improvements at the Southeast Plant and will give \$5 million for odor control.

David Conejo of Catellus Development Corporation, talked about the use of Vortex truck that will be used to clean the streets. Commissioner Makras requested that Catellus provide a separate explanation that using one truck is adequate for this purpose.

The following individuals commented regarding Items 9, 10, and 11. Corrine Woods, member of the Mission Bay Citizens Advisory Committee, expressed support for the Mission Bay Development Plan. Jeff Marmer, representing the Coalition for Better Wastewater Solutions, commented in support of zero sewer discharge to Bayview, and a decentralized sewage treatment system. He was pleased with the progress of the project and the plan to separate storm water and waste water.

Commissioner Werbe expressed concerns about voting for the items.

Commissioner Normandy commented in support of the project but he wanted to find out more about the street cleaning process and whether there are redundancies built into the system.

Commissioner Makras urged the Commission to approve the three agenda items. He said that he felt the Environmental Impact Report and the mitigation measures were adequate and that the developer would use innovative ways to address storm and wastewater concerns.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt Item 9; passed (4-1). Commissioner Werbe voted no.

Resolution No. 98-0236: Adopting environmental findings (and a statement of overriding considerations) pursuant to the California Environmental Quality Act (CEQA) in connection with approval and recommendation of the Mission Bay North and Mission Bay South Interagency Cooperation Agreements.

10. Approving the Mission Bay North Interagency Cooperation Agreement.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 10; passed (4-1). Commissioner Werbe voted no.

Resolution No. 98-0237: Approving the Mission Bay North Interagency Cooperation Agreement; and recommending approval of the Agreement to the Mayor, the Board of Supervisors, and the Director of Public Works.

11. Approving the Mission Bay South Interagency Cooperation Agreement.

Moved by Commissioner Makras, seconded by Commissioner Normandy, to adopt Item 11; passed (4-1). Commissioner Werbe voted no.

Resolution No. 98-0238: Approving the Mission Bay South Interagency Cooperation Agreement; and recommending approval of the Agreement to the Mayor, the Board of Supervisors, and the Director of Public Works.

12. Adopting the 1998/99 Housing Budget. (Continued from the meeting of August 11, 1998).

Jim Barkenhaus, Member of PUC Housing Committee, representing employees who are residents of Peninsula and East Bay housing, commented that increasing the rent would cause financial burden to the current housing occupants.

Patricia Jackson, representative from SEIU, Local 790, urged the Commission to follow the meet and confer process before the Commission takes action on this matter. Mr. Moran responded that the resolution directs staff to pursue the proposal and return to the Commission for final action. Staff will meet and confer with the union before returning to the Commission.

Commissioner Makras expressed support for the resolution. He noted that he would support compensating employees for the services they provide. Commissioner Normandy expressed his support for the resolution based on the proviso that the Commission will conduct the review on a case by case basis.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 12; passed (5-0) unanimously.

Resolution No. 98-0239: Adopting the 1998/99 Housing Budget; charging the discount rent of \$50.00 per room per month; and directing the General Manager of Public Utilities to develop options for the use of "Excess" housing, solicit the services of a property manager to manage the PUC's residential properties, and conclude discussions regarding charging full market rents and charging for utilities.

13. Review of PUC overtime spending and policies and procedures for managing the use of overtime.

Phil Arnold from the Bureau of Finance reported that PUC spent \$4 million worth of overtime in the past year. Overtime work was spent on emergency response, planned overtime, and covering for vacant positions.

Commissioner Werbe requested a list of employees who have worked more than 20% overtime.

Lawrence Klein, General Manager of Hetch Hetchy Water & Power reported that Hetch Hetchy Water & Power spent 3% of total PUC salaries or \$273,000 in overtime.

Commissioner Cook inquired about the possibility of changing the work schedule to 10-hour shift rather than a 12-hour shift. Staff will submit a summary of pros and cons for the 10 and 12-hour work shifts.

Cheryl Davis, Water Supply & Treatment Division Manager, reported that her division's overtime expenditure was required in their normal operations and the major portion of overtime worked was to implement the pipeline inspection program.

Tony Flores, Manager of the City Distribution Division, reported that overtime hours spent by CDD totaled \$2.03 million, 50% of PUC's total overtime expense. Overtime work was attributable to the aging system, restrictions to do street work outside the normal business hours, and covering for vacant positions.

Commissioner Normandy suggested focusing on round the clock work which is more visible to the public and be pro active in letting the public know that emergency work is the primary cause of overtime at PUC.

President Caen directed staff to return to the Commission with a recommendation on how we could speed up filling vacant positions and to submit monthly reports. She expressed interest in coming up with a breakpoint to determine whether it is cheaper to pay overtime than filling vacant positions.

President Makras suggested that each department request an adequate amount for overtime expenditure for a project to avoid going over the budget.

14. Extending the Energy Services Agreement with the State of California for an additional year.

Moved by Commissioner Cook, seconded by Commissioner Werbe, to adopt Item 14; passed (5-0) unanimously.

Resolution No. 98-0240: Authorizing the General Manager of Hetch Hetchy Water and Power to extend the Energy Services Agreement with the State of California for an additional year.

15. Authorizing a five-year agreement, with Western Area Power Administration (WAPA) to purchase low cost Federal National Defense Authorization (NDA) Act power.

Moved by Commissioner Normandy, seconded by Commissioner Werbe, to adopt Item 15; passed (5-0) unanimously.

Resolution No. 98-0241: Authorizing the General Manager of Public Utilities to enter into a five-year agreement, with Western Area Power Administration (WAPA) expiring December 31, 2004, to purchase low cost Federal National Defense Authorization (NDA) Act power at a value not to exceed \$2,500,000.

16. Authorizing an interconnection agreement with the Port of Oakland to facilitate the delivery of low-cost NDA power to Treasure Island and Yerba Buena Island.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 16; passed (5-0) unanimously.

Resolution No. 98-0242: Authorizing the General Manager of Public Utilities to enter into a long term interconnection agreement with the Port of Oakland to facilitate the delivery of low cost Federal National Defense Authorization Act power from the Western Area Power Administration to Treasure Island and Yerba Buena Island.

17. Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission for Clean Water Contract No. CW-176.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Item 17; passed (5-0) unanimously.

Resolution No. 98-0243: Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission for Clean Water Contract No. CW-176, Vallejo Street Emergency Sewer Replacement, and requesting the Board of Supervisors to approve the expenditure of funds.

LEASES AND PERMITS

18. Authorizing a revocable permit with the City of Burlingame to conduct geotechnical excavation on the westerly portion of the Silva tract property in Millbrae.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 18; passed (5-0) unanimously.

Resolution No. 98-0244: Authorizing the General Manager of Public Utilities to execute a revocable permit with the City of Burlingame to inspect a 30-inch cross connection pipeline and conduct geotechnical excavation on the westerly portion of the Silva tract property in Millbrae.

CONSTRUCTION CONTRACTS

Advertise

19. Authorizing advertisement for proposals for Clean Water Contract No. CW-161.

Moved by Commissioner Makras, seconded by Commissioner Werbe, to adopt Item 19; passed (5-0) unanimously.

Resolution No. 98-0245: Approving the final plans and specifications for Clean Water Contract No. CW-161, 5th Avenue/ 21st Avenue/California Street Sewer Replacement; and authorizing advertisement for proposals.

Award

20. Awarding the San Francisco Water Department Contract No. WD-2247. (Continued from the meeting of September 15, 1998).

Mr. Hintze reported that as directed by the Commission, staff renegotiated the price with the contractor and they agreed to cut it down by \$25,000. He said the price was originally cut by \$96,000 when the item first came to the Commission. He noted that a written explanation about the unusual nature of the work was also submitted by staff at the request of the Commission.

Commissioner Makras commented that he understood the importance and urgency of the work but he was concerned about the large disparity in the engineer's estimate and the actual job. He was also concerned about the lowest bidder being rejected from the bid.

Commissioner Normandy indicated that he would support the resolution given the emergency nature of work, there is no exposure to the City, and the direction of the Commission had been met in negotiating the contract price.

Moved by Commissioner Werbe, seconded by Commissioner Normandy, to adopt Item 20; passed (4-1). Commissioner Makras voted no.

Resolution No. 98-0246: Awarding the San Francisco Water Department Contract No. WD-2247, BDPL Nos. 1 and 2 Timber Trestle and Valve House Repairs - Contract 4 of 5, in the amount of \$1,020,900 to the lowest responsive and responsible bidder, Miller/Thompson Constructors, Inc.

21. Awarding Hetch Hetchy Contract No. HH-883.

Moved by Commissioner Cook, seconded by Commissioner Makras, to adopt the resolution for the base bid only; passed (4-0) unanimously. Commissioner Normandy was excused from 3:52 p.m. to 3:55 p.m. and was absent during the vote.

Resolution No. 98-0247: Awarding Hetch Hetchy Contract No. HH-883, Hetch Hetchy Water and Power Roofing Project to the lowest responsive bidder, Pioneer Roofing Organization.

Close

22. Accepting the work performed under Hetch Hetchy Contract HH-838, Holm Penstock Slope Stabilization as complete; approving Contract Modification No. 1 in the amount of \$36,711.85 and contract extension of 65 days; and approving final payment in the amount of \$40,100 to the contractor, Engineered Soil Repairs, Inc.

Item 22 was removed from the agenda.

PROFESSIONAL SERVICE CONTRACTS

Note: Commissioner Normandy returned at 3:55 p.m.

Advertise

23. Authorizing the General Manager of Hetch Hetchy Water & Power to solicit proposals from qualified firms to provide as-needed energy engineering services to support Hetch Hetchy/Bureau of Energy Conservation programs, for a total cost not to exceed \$920,000 over four years.

Commissioner Werbe inquired about the purpose of hiring a consultant to assist in energy conservation. Mr. Lawrence T. Klein, General Manager of Hetch Hetchy Water & Power, noted that the consultant reviews the designs by contractors and engineers to make sure that they include the latest energy efficient technology. Commissioner Werbe stated that design engineers should already know the latest technology. Mr. Terry O'Sullivan from the Bureau of Energy Conservation (BEC) stated that through this program BEC was able to do the groundwork of bringing buildings up to the latest technology that departments otherwise would not have the money, time or expertise to do.

Commissioner Makras noted that he understood the wisdom of the program but he was concerned about subsidizing other departments' projects. As an option to hiring a consultant, he suggested adopting a resolution urging the Board of Supervisors to direct departments to use state-of-the-art, energy efficient fixtures. He also suggested sending this type of work to the Department of Public Works.

Commissioner Normandy requested staff to provide detailed information on the source of the \$7 million savings, who benefits from the savings, and what additional earnings could be used to offset the \$920,000 for consultant's services.

Moved by Commissioner Makras, seconded by Commissioner Normandy, to continue Item 23 to the call of the Chair; passed (5-0) unanimously.

Amend

24. Amending the professional services contract with The Planning Collaborative.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Item 24; passed (5-0) unanimously.

Resolution No. 98-0248: Amending the professional services contract with The Planning Collaborative in the amount of \$330,000 to complete the documentation and processing of the Bernal Property land use and providing support services for the possible disposition of the property; and eliminating the payment retainage to allow full reimbursement to sub consultants.

CLOSED SESSION

The Commission went in Closed Session at 4:15 p.m. to discussed the following Closed Session matters:

25. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation:	As Plaintiff and as Defendant
Property:	500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating:	Nelson/Lymburn/Thompson/Malamut City of Pleasanton
Under Negotiations:	Terms and Conditions

No action was taken.

26. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property:	Portions of Parcel 65 in Sunol, Alameda County
Parties Negotiating:	CCSF - Dowd/Sullivan/Milstein
Lessee:	Mission Valley Rock/RMC Lonestar
Under Negotiation:	Price and Terms

No action was taken.

27. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Bay Division Pipeline 1 and 2 right of way, Parcel 2007(1), Menlo Park
Parties Negotiating: CCSF - Dowd/Sullivan
Grantee: Hansen PSC, Inc.
Under Negotiation: Price and Terms

No action was taken.

28. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Allstate Insurance Company Subrogee of Barbara Goad, Claim No. 96-W-5058-2.

Moved by Commissioner Makras, seconded by Commissioner Werbe, to approve a settlement for Item 28; passed (5-0) unanimously.

Resolution No. 98-0249: Approving a settlement in the claim of Allstate Insurance Company, Subrogee of Barbara Goad, Claim No. 96-W-5058-2.

29. Public Comments on matters to be discussed in Closed Session.

There were none.

30. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

Moved by Commissioner Normandy, seconded by Commissioner Werbe, to assert the attorney-client privilege (4-0) unanimously. Commissioner Cook was excused at 4:15 during the vote.

At 5:25 P.M., the Public Utilities Commission reconvened in open session

Commissioner Caen was excused at 5:25 p.m. Commissioner Werbe presided.

31. Announcement following Closed Session.

Romaine A. Boldridge, Commission Secretary, announced the actions taken during the Closed Session.

32. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Normandy, not to disclose the discussion during the Closed Session except to make the following statement relative to Item 27; passed (4-0) unanimously.

Commissioner Makras stated that the Commission desires to preserve the PUC's right of way, generally the 80-foot wide strip of land from San Francisco all the way to Hetch Hetchy, and that no sales take place of any land reserving easement rights. He said the Commission's goal is to protect that strip of land to make it pristine in the long run. He stated further that the Commission was aware that there are certain encroachments that have happened over the years and the Commission's ultimate goal is to remove all the encroachments and have free, clear title all the way through without interruption. He said that this does not preclude the Commission from looking at revenue enhancements particularly to all real estate that's not the 80-foot strip of land.

Thereupon, the meeting was adjourned: 5:29 P.M.

Romaine A. Boldridge
Secretary

AGENDA
PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

October 13, 1998
1:00 P.M.
Room 402
1155 Market Street, Fourth Floor

COMMISSIONERS

Ann Moller Caen, President
Robert K. Werbe, Vice President
E. Dennis Normandy
Victor G. Makras
Frank L. Cook

DOCUMENTS DEPT.

OCT 08 1998

SAN FRANCISCO
PUBLIC LIBRARY

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Management Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call (415) 923-6142. Accessible curb side parking has been designated at points in the vicinity of the meeting location adjacent to the Main Library.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a. Kelly Award - 10 mins. (Medbery)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

REGULAR BUSINESS

9. PUBLIC HEARING - To consider findings in fact and judgment under Section 16.103 of the Charter of the City and County of San Francisco relating to the transfer of a total of \$42,703,273 from Hetch Hetchy Water and Power to the General Fund in the FY 1998-99 budget. (Klein)
10. Authorizing the advertisement of a Request for Proposal for a developer to finance, design, build and operate a cogeneration facility at the Southeast Water Pollution Control Plant. (Loiacono/Park)

LEASES AND PERMITS

11. Authorizing the General Manager of Public Utilities to execute a Revocable License Agreement with the Peninsula Joint Powers Board (JPB) to allow SFPUC to construct, use, repair and maintain a 60-inch sewer line across approximately 189 feet of JPB property near Yosemite and Egbert Avenues in San Francisco. (Dowd)

CONSTRUCTION CONTRACTS

Award

12. Approving the final plans and specifications and authorizing advertisement for proposals for Clean Water Program Contract No. CW-184, Cayuga Avenue/Douglass Street/Laurel Street/Rondel Place Sewer Replacement Project. (Hintze)

Close

13. Accepting the work performed for Clean Water Program Contract No. 1376N, Jackson Street Sewer Replacement, as satisfactorily completed; approving contract modification No. 2 in the credit amount of \$13,017; and approving final payment in the amount of \$1,522 to the contractor, Ramirez Engineering Corporation. (Continued from the meeting of September 15, 1998). (Hintze)

CONSTRUCTION CONTRACTS (Continued)

14. Accepting the work performed for Clean Water Program Contract No. 1384N, Glover Street Sewer Replacement, as satisfactorily completed; approving contract modification No. 1 in the credit amount of \$15,275 and time extension of 14 days; and approving final payment in the amount of \$6,417.50 to Ramirez Engineering Corporation. (Continued from the meeting of September 15, 1998). (Hintze)

PROFESSIONAL SERVICE CONTRACTS

Advertise

15. Authorizing the Manager of the Bureau of Environmental Regulation and Management to advertise a Request for Qualification to solicit statements of qualification from environmental consulting firms to create a consulting pool to provide as-needed environmental and regulatory services for a period of two years with a total spending authority of \$3,000,000. (Medbery)

Award

16. Authorizing the Manager of the Bureau of Environmental Regulation and Management to negotiate and award a professional services contract with Geoff Brosseau to implement a storm water pollution prevention program with a first year contract amount not to exceed \$100,000 and a total contract amount not to exceed \$400,000 over three years, ending June 30, 2001. (Medbery)

CLOSED SESSION

17. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant

Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.

Parties Negotiating: Nelson/Lymburn/Thompson/Malamut
City of Pleasanton

Under Negotiations: Terms and Conditions

18. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property:	Portions of Parcel 65 in Sunol, Alameda County
Parties Negotiating:	CCSF - Dowd/Sullivan/Milstein
Lessee:	Mission Valley Rock/RMC Lonestar
Under Negotiation:	Price and Terms

19. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Simpson)

Existing Litigation: Winkelstein, et.al. v. City and County of San Francisco and related cross-actions and consolidated cases, Superior Court No. 980-740.

20. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):
(Milstein)

Anticipated Litigation: As Plaintiff in State Investigation of PG&E in the case of Amodeo v. PG&E, Santa Clara Superior Court No. CV775599.

21. Public Comments on matters to be discussed in Closed Session.

22. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS ABOVE LISTED CLOSED SESSION MATTERS.

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

23. Announcement following Closed Session.

24. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

32

13/98
2

MINUTES
PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

October 13, 1998
1:00 P.M.
Room 402
1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

NOV 20 1998

SENT TO
PUBLIC LIBRARY

COMMISSIONERS

Ann Moller Caen, President
Robert K. Werbe, Vice President
E. Dennis Normandy
Victor G. Makras
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Management Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

1. Call to Order: 1:13 P.M.
2. Roll Call: Present - President Ann Moller Caen, Vice President Robert K. Werbe, Commissioner E. Dennis Normandy, Commissioner Frank L. Cook

Commissioner Victor G. Makras arrived at 1:17 p.m.

3. Approval of Minutes

Moved by Commissioner Normandy, seconded by Commissioner Cook, to approve the Minutes of the Special Meeting of September 15, 1998; passed (4-0) unanimously.

4. Communications

President Caen directed staff to respond to the letters from John McKeown and Alameda Creek Alliance.

5. Introduction of Old/Ongoing Business by Commissioners

Commissioner Normandy requested that staff give a presentation to the Commission to address the effects of Year 2000 to PUC operations and what is being done for areas that may be affected. President Caen directed staff to report to the Commission at the next Commission meeting.

Commissioner Normandy requested that staff give a presentation to the Commission regarding the progress of the Sunol Water Temple Restoration Project.

President Caen directed staff to calendar Item Nos. 8, 9, 10 and 11 of the Old/Ongoing Business List at the next Commission meeting. She stated that the Lake Merced issue (Item No. 8) should be staff's top priority. Regarding Items 9, 10 and 11, President Caen noted that she wanted to complete the discussion regarding overtime and to be able to demonstrate to the public that PUC is taking actions to curb overtime expenditures.

6. Introduction of New Business by Commissioners

There was no new business introduced by Commissioners.

7. Report of the General Manager

Introduction of New Support Staff

Anson B. Moran, General Manager of Public Utilities, introduced Vicki Clayton who will be serving as Utilities General Counsel.

Zula Jones, Senior Contract Compliance Officer from the Human Rights Commission, introduced Virginia Harmon, who will be PUC's Contract Compliance Officer replacing Gary Wong.

Telly Award

Steve Medbery, Manager, Bureau of Environmental Regulation & Management, announced that the Water Pollution Prevention Program was awarded the Telly Award, one of the top honors in the television industry to recognize outstanding non network and cable television commercials. Mr. Medbery stated that it was awarded to PUC for the animated television commercial regarding water pollution prevention.

Paula Kehoe, who spearheaded the Bureau's public education program, played a video recording of the award winning television commercial and then presented the trophy to the Commission. The Commission commended Ms. Kehoe and Ms. Maureen O'Rorke for their outstanding work.

8. Public comments on matters that were not on today's agenda.

There were none.

REGULAR

9. PUBLIC HEARING - To consider findings in fact and judgment under Section 16.103 of the Charter of the City and County of San Francisco relating to the transfer of funds from Hetch Hetchy Water and Power to the General Fund in FY 1998-99.

Mr. Moran reported that transfer of utility surplus funds to the General Fund could be done in three ways: (1) if there is a surplus at the end of the fiscal year and is in excess of 25% of the operating and maintenance budgets the excess surplus funds may be transferred; or (2) it is projected that at the end of the coming budget year there will be a surplus in excess of 25% of the operating and maintenance budget such excess may be budgeted as revenue to the General Fund; or (3) if the Commission makes a series of findings that the budget surplus may be reduced below 25% of the prior year's operating fund. He said that over \$36 million of the \$42.7 million qualified under the 2nd provision and the rest fell under the 3rd provision.

Ms. Joan Girardot, President of the Coalition for San Francisco Neighborhoods and Ms. Rose Tsai, spokesperson for the San Francisco Neighbors Association, urged the Commission to forward the transfer to the Board of Supervisors with a recommendation to redirect a portion of the funds to the Water Department to support its maintenance and preventive maintenance programs. Mr. Emeric Kalman commented that under the Old Charter, the Commission can decide to merge Hetch Hetchy Water and Power and the Water Department. He requested that the City Attorney prepare a memorandum on why it has not been done.

Mr. Arthur Jensen, General Manager of the Bay Area Water Users Association, commented in support of allocating the surplus funds towards the Water Department's capital improvement projects.

Commissioner Makras commented that he would support staff's recommendation to transfer the surplus funds to the general fund as it was imposed by the City Charter.

President Caen directed staff to include the comments made by the members of the public when the resolution is forwarded to the Board of Supervisors.

Commissioner Normandy commented that the speakers' comments were appropriate and with the restrictions set upon the PUC by Proposition H, we need to begin thinking about a process where future earnings and revenues are not immediately declared surplus and the money generated by the department is used for its own projects.

Moved by Commissioner Makras, seconded by Commissioner Werbe, to adopt Item 9; passed (5-0) unanimously.

Resolution No. 98-0250: Approving the findings in fact and judgment under Section 16.103 of the Charter of the City and County of San Francisco relating to the transfer of a total of \$42,703,273 from Hetch Hetchy Water and Power to the General Fund in FY 1998-99.

10. Authorizing the advertisement of a Request for Proposals for a developer to finance, design, build and operate a cogeneration facility at the Southeast Water Pollution Control Plant.

Commissioner Makras requested staff to provide a copy of the grant application to see whether the grant authorization identified the areas where the grant money could be spent. He wanted to know whether the grant allocated funds for PUC staff time and overhead costs of running the program. He was concerned about the City putting its own money on top of the grant when staff time may not have been factored into the grant.

Moved by Commissioner Werbe, seconded by Commissioner Makras, to continue Item 10 to October 27, 1998; passed (5-0) unanimously.

LEASES AND PERMITS

Note: Commissioner Makras was excused at 1:59 p.m.

11. Authorizing a Revocable License Agreement with the Peninsula Joint Powers Board (JPB).

Moved by Commissioner Werbe, seconded by Commissioner Cook, to adopt Item 11; passed (4-0) unanimously.

Resolution No. 98-0251: Authorizing the General Manager of Public Utilities to execute a Revocable License Agreement with the Peninsula Joint Powers Board (JPB) to allow SFPUC to construct, use, repair and maintain a 60-inch sewer line across approximately 189 feet of JPB property near Yosemite and Egbert Avenues in San Francisco.

CONSTRUCTION CONTRACTS

Award

12. Authorizing advertisement for proposals for Clean Water Program Contract No. CW-184.

Moved by Commissioner Werbe, seconded by Commissioner Normandy, to adopt Item 12; passed (4-0) unanimously.

Resolution No. 98-0252: Approving the final plans and specifications and authorizing advertisement for proposals for Clean Water Program Contract No. CW-184, Cayuga Avenue/Douglass Street/Laurel Street/Rondel Place Sewer Replacement Project.

Commissioner Makras returned at 2:02 p.m.

Close

13. Accepting the work performed for Clean Water Program Contract No. 1376N, Jackson Street Sewer Replacement. (Continued from the meeting of September 15, 1998).

Commissioner Cook commented that he would like to consider a type of penalty to the contractor for not meeting the requirements of the contract.

Commissioner Makras stated that he would support staff's recommendation based on the letter of explanation submitted by Ramirez Construction Co. He said that he believed the Human Rights Commission appropriately handled the issue concerning MBE goals. Zula Jones of the Human Rights Commission commented that Ramirez Construction made up the MBE goals in an Airport contract as it was the only City contract Ramirez had at that time. Ms. Jones stated that as discussed with the contractor, HRC would be closely monitoring the contractor's performance in future contracts relative to compliance with MBE/WBE goals.

Moved by Commissioner Werbe, seconded by Commissioner Normandy, to adopt Item 13; passed (4-1). Commissioner Cook voted no.

Resolution No. 98-0253: Accepting the work performed for Clean Water Program Contract No. 1376N, Jackson Street Sewer Replacement, as satisfactorily completed; approving contract modification No. 2 in the credit amount of \$13,017; and approving final payment in the amount of \$1,522 to the contractor, Ramirez Engineering Corporation.

14. Accepting the work performed for Clean Water Program Contract No. 1384N, Glover Street Sewer Replacement. (Continued from the meeting of September 15, 1998).

Moved by Commissioner Werbe, seconded by Commissioner Normandy, to adopt Item 14; passed (4-1). Commissioner Cook voted no.

Resolution No. 98-0254: Accepting the work performed for Clean Water Program Contract No. 1384N, Glover Street Sewer Replacement, as satisfactorily completed; approving contract modification No. 1 in the credit amount of \$15,275 and time extension of 14 days; and approving final payment in the amount of \$6,417.50 to Ramirez Engineering Corporation.

PROFESSIONAL SERVICE CONTRACTS

Advertise

15. Authorization to advertise a Request for Qualifications from environmental consulting firms to provide as-needed environmental and regulatory services.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 15; passed (5-0) unanimously.

Resolution No. 98-0255: Authorizing the Manager of the Bureau of Environmental Regulation and Management to advertise a Request for Qualifications to solicit statements of qualification from environmental consulting firms to create a consulting pool to provide as-needed environmental and regulatory services for a period of two years with a total spending authority of \$3,000,000.

Award

16. Authorizing the Manager of the Bureau of Environmental Regulation and Management to negotiate and award a professional services contract with Geoff Brosseau to implement a storm water pollution prevention program with a first year contract amount not to exceed \$100,000 and a total contract amount not to exceed \$400,000 over three years, ending June 30, 2001.

Commissioner Makras asked about the objective in hiring a consultant to overlook the business practice of commercial business relative to storm water pollution. He expressed concern about possible duplication in monitoring tasks if there are other government agencies who already regulate this activity.

Mr. Medbery responded that in addition to monitoring commercial business practices relating to storm water runoff, the consultant would provide technical expertise in storm water pollution prevention for the City's major projects and also in evaluating alternative storm water treatment processes. Daniel Rourke from the Bureau of Water Pollution Control stated that the businesses targeted by the project fall outside the loop of those regulated by other agencies. Commissioner Makras indicated that we do not need a consultant to oversee the storm water pollution prevention plan for big developments like the Mission Bay project as they already have agreed to undertake mitigation measures with other City agencies. Mr. Medbery responded that under the combined sewer overflow program the City is required to implement minimum controls and one of them is to develop and implement a strong storm water pollution prevention program.

President Caen directed staff to report to the Commission in two meetings which specific areas targeted for the consultant do not fall under any governmental agency's jurisdiction.

Commissioner Cook requested a list of citations issued by the department relative to storm water pollution.

Moved by Commissioner Normandy, seconded by Commissioner Makras, to continue Item 16 to November 10, 1998; passed (5-0) unanimously.

CLOSED SESSION

17. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation:	As Plaintiff and as Defendant
Property:	500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating:	Nelson/Lymburn/Thompson/Malamut City of Pleasanton
Under Negotiations:	Terms and Conditions

No action was taken.

18. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property:	Portions of Parcel 65 in Sunol, Alameda County
Parties Negotiating:	CCSF - Dowd/Sullivan/Milstein
Lessee:	Mission Valley Rock/RMC Lonestar
Under Negotiation:	Price and Terms

No action was taken.

19. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Winkelstein, et.al. v. City and County of San Francisco and related cross-actions and consolidated cases, Superior Court No. 980-740.

Moved by Commissioner Cook, seconded by Commissioner Makras, to approve a settlement for Item 19; passed (5-0) unanimously.

Resolution No. 98-0256: Approving a settlement in the case of Winkelstein, et.al. V. City and County of San Francisco and related cross-actions and consolidated cases, Superior Court No. 980-740.

20. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Plaintiff in State Investigation of PG&E in the case of Amodeo v. PG&E, Santa Clara Superior Court No. CV775599.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to authorize issuance of a land use permit to the State of California; passed (5-0) unanimously.

Resolution No. 98-0257: Authorizing the issuance of a land use permit to the State of California at no cost for purposes of undertaking soil sampling within the Peninsula watershed.

21. Public Comments on matters to be discussed in Closed Session.

There were none.

22. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to assert the attorney-client privilege; passed (5-0) unanimously.

The Public Utilities Commission went into Closed Session at 2:30 p.m. to discuss the above listed Closed Session agenda.

At 3:53 p.m. the Commission reconvened in open session.

Commissioner Werbe was excused at 3:53 p.m.

23. Announcement following Closed Session.

President Caen announced the actions taken during the Closed Session.

24. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Normandy, seconded by Commissioner Cook, not to disclose the discussion during the Closed Session; passed (4-0) unanimously.

Thereupon, the meeting was adjourned: 3:54 P.M.

Romaine A. Boldridge
Secretary



CITY AND COUNTY OF SAN FRANCISCO
PUBLIC UTILITIES COMMISSION
*Bureau of System Planning
& Regulatory Compliance*

WILLIE L. BROWN, JR., MAYOR

ANSON B. MORAN, GENERAL MANAGER

ANN MOLLER CAEN
PRESIDENT
ROBERT K. WERBE
VICE PRESIDENT
E. DENNIS NORMANDY
VICTOR G. MAKRAS
FRANK L. COOK

SAN FRANCISCO
WATER DEPARTMENT
HETCH HETCHY
WATER AND POWER
SAN FRANCISCO
CLEAN WATER PROGRAM

27/98
LAKE MERCED

DOCUMENTS DEPT.

OCT 19 1998

SAN FRANCISCO
PUBLIC LIBRARY

**ANNOUNCING THE FOLLOWING PUBLIC MEETING
PERTAINING TO THE LAKE MERCED ENVIRONMENT**

San Francisco Public Utilities Commission
1155 Market Street, 4th Floor, Room 402, San Francisco
October 27, 1998 at 1:00 p.m.
Agenda Item: Identification of Three Water Resource Alternatives
to Raise Lake Level & Associated Costs

For additional information, please contact Joan Ryan (SFPUC) (415) 554 8997

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

DOCUMENTS DEPT.

OCT 23 1998

SAN FRANCISCO
PUBLIC LIBRARY

REGULAR MEETING

October 27, 1998
1:00 P.M.

Room 402

1155 Market Street, Fourth Floor

COMMISSIONERS

Ann Moller Caen, President
Robert K. Werbe, Vice President
E. Dennis Normandy
Victor G. Makras
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Management Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call (415) 923-6142. Accessible curb side parking has been designated at points in the vicinity of the meeting location adjacent to the Main Library.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a. Clean Water Planning - Moran
8. Public Comments
 - a. Charlie Walker

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

REGULAR BUSINESS

9. Resolution thanking Mr. Thomas M. Berliner for his outstanding service as Utilities General Counsel. (Moran)
10. Presentation of the "Feasibility Evaluation of Alternatives to Raise Lake Merced" - 5 mins. (Carlin)
11. Report regarding digesters at the Southeast Water Pollution Control Treatment Plant - 10 mins. (Loiacono)
12. Authorizing the advertisement of a Request for Proposals for a developer to finance, design, build and operate a cogeneration facility at the Southeast Water Pollution Control Plant. [Continued from the meeting of October 13, 1998.] (Loiacono/Park)
13. Authorizing the General Manager of Public Utilities to apply for, accept and expend up to \$150,000 in grant funding from the USEPA to study decentralized, alternative wastewater management alternatives for the City's bayside developments. (Pla)
14. Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission relating to the Corral Hollow Transmission Towers; and requesting the Board of Supervisors' approval of expenditure of funds. (Klein)
15. Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission; and requesting the Board of Supervisors' approval of expenditure of funds for Clean Water Contract No. CW-149, 19th Street Emergency Sewer Replacement. (Hintze)

LEASES AND PERMITS

16. Authorizing the General Manager of Public Utilities to execute a permit with Nextlink California, L.L.C., to install, maintain, use and repair a fiber optic cable within a portion of Parcels 199A and 199B of Bay Division Pipeline Nos. 3 and 4 right-of-way, located in Mountain View, San Mateo County at an annual fee of \$14,880. (Dowd)
17. Authorizing the General Manager of Public Utilities to execute a permit with Nextlink California, L.L.C., to install, maintain, use and repair a fiber optic cable within a portion of Parcels 2006 and 2007 of Bay Division Pipeline Nos. 1 and 2 right-of-way, located in Menlo Park, San Mateo County at an annual fee of \$61,152. (Dowd)

CONSTRUCTION CONTRACTS

Advertise

18. Approving the final plans and specifications and authorizing advertisement for bids for Clean Water Program Contract No. CW-130, Balboa Street and 3rd/20th/42nd Avenues Sewer Replacement. (Hintze)
19. Approving the final plans and specifications and authorizing advertisement for bids for Clean Water Program Contract No. CW-167, Grant Avenue/Chestnut Street Sewer Replacement. (Hintze)
20. Approving the final plans and specifications and authorizing advertisement for bids for Clean Water Program Contract No. CW-174, Howard/Minna/2nd Streets Sewer Replacement. (Hintze)
21. Rejecting bids submitted for Clean Water Program Contract No. CW-123, Harding Park Sewer Replacement, and approving re-advertisement of the contract under Contract No. CW-123R. (Hintze)
22. Rejecting the sole bid submitted for San Francisco Water Department Contract WD-2239, Town of Sunol Water System Improvements, Auxiliary Domestic Water Storage Tanks; and authorizing re-advertisement for bids. (Hintze)

Award

23. Awarding Clean Water Program Contract No. CW-119, Day/Congo/Marston/Cuvier Streets Sewer Replacement, in the amount of \$404,440 Shaw Pipeline, Inc. (Hintze)
24. Awarding Clean Water Program Contract No. CW-122, Dolores/Ord/23rd/28th Streets Sewer Replacement, in the amount of \$411,600 to JMB Construction, Inc. (Hintze)
25. Awarding Clean Water Program Contract No. CW-132, 2nd and 9th Streets Sewer Abandonment, in the amount of \$117,000 to Shaw Pipeline, Inc. (Hintze)

PROFESSIONAL SERVICE CONTRACTS

Amend

26. Authorizing the General Manager of Public Utilities to negotiate and execute the Fifth Amendment to the agreement with Grueneich Resource Advocates Agreement, increasing the contract funding by \$650,000 for a contract total not to exceed \$2,080,000.

CLOSED SESSION

27. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating: Nelson/Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiations: Terms and Conditions

28. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property:	Bay Division Pipeline No. 3 and 4, Parcels 222 and 223
Parties Negotiating:	Dowd/Sullivan/Milstein
Lessee:	Washington Mutual Bank
Under Negotiation:	Consent to Assignment

29. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Camacho)

Existing Litigation:	Janell Hudson-Alexander vs. City and County of San Francisco and Joycelyn Hudson vs. City and County of San Francisco
----------------------	--

30. Public Comments on matters to be discussed in Closed Session.

31. Motion on whether to assert the attorney-client privilege regarding the matters listed above
as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS
ABOVE LISTED CLOSED SESSION MATTERS.

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL
RECONVENE IN PUBLIC SESSION.

32. Announcement following Closed Session.

33. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

ADDENDUM TO PUC AGENDA

City and County of San Francisco
Public Utilities Commission

1:00 P.M.
October 27, 1998
1155 Market Street, 4th Floor

DOCUMENTS DEPT.

OCT 26 1998

SAN FRANCISCO
PUBLIC LIBRARY

CLOSED SESSION

29. a. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property:	Bay Bridge Pump Station
Parties Negotiating:	CCSF-Dowd/Sullivan
Contracting Agency:	CalTrans
Under Negotiation:	Terms and Conditions

29. b. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):
(Mueller/Klein/Park)

Anticipated Litigation: CCSF As Plaintiff
PG&E As Defendant

Revised

MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

October 27, 1998
1:00 P.M.
Room 402
1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

DEC 03 1998

SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

Ann Moller Caen, President
Robert K. Werbe, Vice President
E. Dennis Normandy
Victor G. Makras
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Management Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

1. Call to Order: 1:07 P.M.
2. Roll Call: Present - President Ann Moller Caen, Vice President Robert K. Werbe, Commissioner E. Dennis Normandy, Commissioner Victor G. Makras, Commissioner Frank L. Cook

3. Approval of Minutes

Commissioner Werbe requested staff to obtain a copy of the transcript of the discussion of agenda items 9, 10 and 11 of the September 29, 1998 PUC meeting.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to approve the Minutes of the Special Meeting of September 29, 1998 as amended and the Minutes of the Regular Meeting of October 13, 1998; passed (5-0) unanimously.

4. Communications

No action was taken.

5. Introduction of Old/Ongoing Business by Commissioners

Commissioner Normandy suggested dropping Item No. 3, Executive Summary on Sewer Flooding Problems, from the list of ongoing business items.

Commissioner Werbe followed up on his request to staff for a list of facilities that the Bureau of Energy Conservation have worked on to promote energy efficiency and also his request for budget information for the bureau. This would be added to Item 7CC of the Old/Ongoing Business list.

Commissioner Normandy reiterated his request that in developing the overall housing policy, staff would look into the watershed keepers situation on a case by case basis. Mr. Moran stated that staff would be going to meet and confer with Local 790 to discuss the policy and the mechanism for implementing the policy. Staff would return to the Commission to discuss those measures to be taken to fill critical housing facilities and submit a policy statement regarding market rental rates, charging for utilities and other special conditions before the year 2000.

Commissioner Normandy noted that a letter was received from the San Mateo County Sheriff commending two watershed keepers, Mr. James Forseil and Mr. Rick Duffy, for their assistance during an auto burglary incident. He suggested that staff look into establishing a policy to ensure the safety of the watershed keepers when providing assistance to local law enforcement agencies. Mr. Moran stated that staff will bring this issue for review by the Commission.

Commissioner Werbe suggested buying warranty agreements for PUC vehicles and exploring the possibility of giving employees an option to buy City vehicles at the end of their leases. He said this will provide employees incentives to properly maintain City vehicles. Also to alleviate the problem of shortage in shop mechanics, under the warranty agreements, staff could take the vehicles to a local car dealer for oil change or minor maintenance work. This would help free up our mechanics to repair heavy duty equipment that are badly in need of repair. President Caen directed staff to look into this issue immediately.

6. Introduction of New Business by Commissioners

President Caen directed staff to suggest to the Building Manager at 1155 Market Street that the horse statue located at the lobby of the building be re-positioned or moved to a more desirable location.

7. Report of the General Manager

"Thirst"

Anson B. Moran, General Manager of Public Utilities reported that last Sunday, October 25, 1998, Channel 4 aired a movie entitled "Thirst" which is about a fictional waterborne pathogen, Cryptosporidium-C, that could not be killed by boiling the water. Mr. Moran noted that staff was able to get information to the news media to evade confusing the fictional pathogen with the real Cryptosporidium that could be killed by boiling the water. Mr. Tim Dayonot, Manager of Government and Public Affairs, showed a video recording of the news segment that was aired after the movie. Responding to Mr. Moran's inquiry, Mr. De Graca stated that no inquiries were received from the public on this subject.

Commissioner Normandy commended Steve Leonard, Andrew De Graca and Tim Dayonot for taking pro active roles in getting the right information to the public quickly. He stated that this was a testament to the PUC's vision in setting up a communications program.

Public Managerial Excellence Award

Mr. Moran reported that Jonathan Chow, a Senior Civil Engineer at the Water Supply and Treatment Division, won this year's Public Managerial Excellence Award sponsored by the Mayor's Fiscal Advisory Council, SPUR and the Chamber of Commerce. Mr. Chow was recognized for his achievement in designing and implementing a digitized computer system for engineering drawings and plans. Staff showed a video tape of the segment that talked about Mr. Chow's contribution.

Mr. Moran noted that two other PUC staff, John Mullane and Gary Dowd were nominated. Gary Dowd was nominated for generating revenue from leases and property management and John Mullane for his work in implementing a user-friendly Customer Service Bureau.

Future Meetings

Mr. Moran noted that staff would be bringing Proposition H related issues to the Commission in future Commission meetings. Those issues include flooding and odor control, separating storm and wastewater systems, and expanding the role of the Technical Review Committee. He said materials for Strategic Planning for the Clean Water Program would be submitted for the next meeting.

President Caen suggested canceling the regular meetings scheduled for December 8 and December 22, 1998 and scheduling a special Commission meeting on December 15, 1998. She also alerted the Commission about possibly meeting every Tuesday in January 1999 for budget review.

8. Public comments on matters that were not on today's agenda.

Mike Thomas, representing Communities for Better Environment and Alliance for Clean Water Front, commented that the Mission Bay Development Project and the Hunters Point Project would bring 11% increase of sewage overflow to the Bayview District. Mr. Thomas commented in favor of the 2nd tier of storm water treatment.

Alex Lantsberg, representing the Southeast Alliance for Environmental Justice (SAEJ), expressed support for the second tier storm water treatment solution. He commented that they were not pleased with the Mission Bay project as approved as it would send more sewage to the Southeast Treatment Plant. He suggested doing a comprehensive study for an environmentally superior waste water treatment solution and also expanding the role of the Technical Review Committee.

Ruth Gravanis, Alliance for Clean Water Front, suggested using the Technical Review Committee's expertise in planning an innovative and sound wastewater treatment technology and requested the Commission to have adequate funding for the TRC to continue its work.

Jeff Marmer, representing the Coalition for Better Wastewater Solutions and the Alliance for Clean Water Front, urged the Commission to implement a decentralized sewage system, to continue using the alternative consultant for any follow on studies, and to expand the role of the Technical Review Committee.

Amy Quirk, President of Sunset Community Democratic Club and Alliance for Clean Water Front, urged the Commission to continue funding the Technical Review Committee and the alternative consultant.

Corinne Woods, a member of the Alliance for Clean Water Front and the Mission Creek Conservancy and a resident of Mission Creek Harbor, requested that the Commission make it a high priority to do some work on filtering outfalls from Mission Creek.

REGULAR

9. Resolution thanking Mr. Thomas M. Berliner for his outstanding service as Utilities General Counsel.

Arthur M. Jensen, General Manager, Bay Area Water Users Association, read a letter from BAWUA's General Counsel commemorating Tom Berliner's hard work as Utilities General Counsel and congratulating him in his new endeavor.

Moved by Commissioner Caen, seconded by Commissioner Werbe, to adopt Item 9; passed (5-0) unanimously.

Resolution No. 98-0258: Resolution thanking Mr. Thomas M. Berliner for his outstanding service as Utilities General Counsel.

10. Presentation of the "Feasibility Evaluation of Alternatives to Raise Lake Merced".

Joan Ryan of the Bureau of Systems Planning & Regulatory Control gave a presentation and discussed the process by which the alternatives were identified and how they were ranked, the costs and associated benefits of highest ranked alternatives and the potential implementation schedule. Ms. Ryan reported that staff evaluated 10 water resource alternatives to raise and maintain the water level at Lake Merced. Three alternatives were considered more feasible and ranked the highest based on cost estimates and the amount of water needed to implement the alternative. Those alternatives and corresponding estimated costs are as follows: Alternative 1 - Add SFPUC Imported Surface Water Directly to the Lake (\$2.2 million, 90% of this cost involves imported surface water from the PUC water system); Alternative 7 - Divert Storm Water from Vista Grande Canal (\$3.9 million, second highest cost); and Alternative 5 - Inject Recycled Water into Aquifer at existing Harding Park and SFSU Wells (\$8.5 million).

Ms. Ryan noted that Alternative 1 is less costly in the longer term but it may not be a practical solution for the lake when the water demand goes up. She said that staff is working to develop a groundwater management plan with the City of Daly City, the City of San Bruno and the California Water Service to decrease pumping from the Westside Basin.

Ms. Ryan noted that the City of Daly City and the San Mateo County are interested in Alternative 7 due to the potential cost-sharing benefits as well as the possibility for getting state and federal funding for wetlands enhancement. Alternative 7 also has the least estimated water costs. Commissioner Makras suggested staff focus on Alternative 7, negotiate a deal with Daly City, and apply for federal grants to implement the alternative. Commissioner Normandy urged staff to advise the Commission if they need assistance in dealing with higher officials in Daly City to get the project moving.

In response to Commissioner Caen's question regarding Alternative 7, Ms. Ryan stated that in drought situations, the lake level would decline because the lake will not be supplemented by the Vista Grande Canal.

Commissioner Caen asked about the feasibility of making changes to our pump station and what it would cost to do it. Ms. Ryan stated that the actual operating cost is minimum and it can be implemented immediately; however, it is not a viable solution for long term discharge. Over a 10-year period, the cost would be \$2 million which represents income that the City would have otherwise generated if it were to sell the water.

Mr. Moran noted that the proper elevation of the lake is still being discussed but staff have targeted it to be 24 to 26 feet to obtain the best scenic and recreational benefits from the lake.

Commissioner Makras suggested that staff focus on evaluating Alternatives 1 and 7 and bring the item back to the Commission. The Commission concurred.

The following individuals commented:

Mr. G. L. Hastings expressed support for desalination as an option. He commented that injecting water into the lake is good but he was concerned that this will not be possible during drought situations.

Ms. Carmen Ramirez, Chairman of the Neighborhood Alliance for Political Awareness, Chairman of the Committee on Lake Merced, and President of Aqua Tenants Association, commented that she had been working on this issue since 1996 and there was still no progress on the project. She said she would directly meet with the Mayor and the Board of Supervisors on this issue.

Ruth Gravanis, representing the Golden Gate Audubon Society, indicated that when setting the target lake level we have to make sure that it is done to preserve wildlife and marsh habitat and recreational opportunities for the public.

Jerry Cadagan, Committee on Lake Merced, commented that Alternatives 1 and 7 would not work in drought situations. He stated that the only solution to maintain the lake level is for the golf courses to draft less from the aquifer. He asked about the status of negotiations with Daly City to supply recycled water to the golf courses.

11. Report regarding digesters at the Southeast Water Pollution Control Treatment Plant.

Jon Loiacono, showed photographs of the 65-foot and 95-foot egg digesters in terra cotta and gray colors from various views around the Southeast Water Pollution Control Plant (SEWPC) area. Mr. Loiacono pointed out that the area is zoned at a 65-foot height limit. If the department were to build anything over 65 feet, we would have to conduct an environmental impact review before requesting a rezoning from the Department of City Planning.

Mr. Loiacono explained that the proposed digesters (the 65 feet or the 95 feet) have the same overall height of 110 feet. To comply with the zoning requirements, staff was proposing to build the digester either 65 feet above the ground with the remaining 45 feet below grade or at a 92 feet high and 15 feet below grade. He noted that it would cost \$12 million more in capital cost to construct a 65-foot digester above ground and there would be additional operating and maintenance costs.

Commissioner Normandy expressed his opinion that the Commission consider the "blue shade" option as it would make the structure a little less obtrusive.

President Caen asked if there was any other way to disguise the digesters. Mr. Loiacono suggested the possibility of using building facades. He showed photographs of digesters shrouded by a fabric that created a parking structure effect.

President Caen suggested looking into relocating the digesters on an industrial site. Mr. Loiacono identified a possible industrial site currently in private ownership which is zoned at 80-feet high limit. He said that it is not known at this time if that piece of land is for sale. Commissioner Makras suggested that staff provide him information on how large of an area is needed.

Commissioner Makras commented that he could not support higher digesters if they are not consistent with the City's master plan. He also believed that the community would not support the 95-foot digester. He suggested that staff make a policy decision and submit their recommendation to the Commission regarding the digester height. Mr. Loiacono indicated that the community did not want to see the digesters over 65 feet.

Commissioner Normandy expressed concerns about the maintenance and operation of these digesters. He suggested that staff obtain more information about the pros and cons in the operation of each option (65-feet or 95-feet) and submit their recommendation to the Commission. He also suggested that staff communicate whatever facts they gathered to the Bayview community.

Commissioner Cook suggested that staff also provide the costs of camouflaging the digesters. Mr. Loiacono stated that camouflaging would cost \$5 million.

President Caen directed staff to incorporate the ideas of the Commission, look into the placement of digesters in the industrial area, and return to the Commission with this information on December 15, 1998. Commissioner Makras requested staff to also provide the total cost of the project.

12. Authorizing the advertisement of a Request for Proposals for a developer to finance, design, build and operate a cogeneration facility at the Southeast Water Pollution Control Plant. [Continued from the meeting of October 13, 1998.]

In response to Commissioner Makras' question at the last PUC meeting, Mr. Jon Loiacono of the Bureau of Water Pollution Control reported that the \$1 million grant from the California Energy Commission (CEC) does not stipulate whether the money could be used to cover the cost of staff time and overhead. He stated that the City cannot collect the grant money until PUC has started generating power.

Commissioner Makras inquired whether PUC could build its own cogeneration facility. Laurie Park, Water and Power Resources Manager, responded that Hetch Hetchy could develop the project but the department would need to come up with \$5 to \$6

million for the capital investment. She said not having that money in the PUC's capital budget, staff proposed a combined Request for Qualifications and Request for Proposals to solicit proposals from developers who have financing capabilities to develop the project for PUC. Responding to Commissioner Makras' question, Mr. Moran stated that PUC would generate the power at whatever cost to generate it but through the grant we would get \$1 million that could be allocated for any purpose.

Commissioner Makras expressed the opinion that staff was asking for approval to privatize power generation and eliminated the option to do it in house. Ms. Park noted that staff had proposed an RFQ/RFP to comply with CEC rules that the developer of the facility cannot be a utility. Hetch Hetchy could develop the project but it cannot own it. In addition, under the subsidy there has to be a sale transaction where the Southeast Plant could fund the construction of the project, generate power for themselves, sell the output to Hetch Hetchy and then Hetch Hetchy sells it back to the Southeast Plant so that they could use it on site. Ms. Park further noted that there was nothing that prohibits PUC from entering an agreement with a developer that require them to sign over the subsidy back to the City in which case the City could apply the money for any reasonable purpose. President Caen requested the Utilities General Counsel to review these rules with staff and return to the Commission at the next PUC meeting.

Commissioner Makras noted that even though a \$1 million dollar grant is alluring, we should look at the possibility of doing it in-house, use the City's money to get in the business where the City could be the only benefactor of the profits.

Moved by Commissioner Normandy, seconded by Commissioner Werbe, to continue Item 12 to the next regular PUC meeting; passed (5-0) unanimously.

13. Authorizing the General Manager of Public Utilities to apply for, accept and expend up to \$150,000 in grant funding from the USEPA.

Mr. Jeff Marmer, representing the Coalition for Better Wastewater Solutions, commented in favor of approving the resolution.

Moved by Commissioner Normandy, seconded by Commissioner Makras, to adopt Item 13; passed (5-0) unanimously.

Resolution No. 98-0259: Authorizing the General Manager of Public Utilities to apply for, accept and expend up to \$150,000 in grant funding from the USEPA to study decentralized, alternative wastewater management alternatives for the City's Bayside developments.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item Nos. 14 and 15; passed (5-0) unanimously.

14. Resolution No. 98-0260: Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission relating to the Corral Hollow Transmission Towers; and requesting the Board of Supervisors' approval of expenditure of funds.
15. Resolution No. 98-0261: Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission; and requesting the Board of Supervisors' approval of expenditure of funds for Clean Water Contract No. CW-149, 19th Street Emergency Sewer Replacement.

LEASES AND PERMITS

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item Nos. 16 and 17; passed (5-0) unanimously.

16. Resolution No. 98-0262: Authorizing the General Manager of Public Utilities to execute a permit with Nextlink California, L.L.C., to install, maintain, use and repair a fiber optic cable within a portion of Parcels 199A and 199B of Bay Division Pipeline Nos. 3 and 4 right-of-way, located in Mountain View, San Mateo County at an annual fee of \$14,880.
17. Resolution No. 98-0263: Authorizing the General Manager of Public Utilities to execute a permit with Nextlink California, L.L.C., to install, maintain, use and repair a fiber optic cable within a portion of Parcels 2006 and 2007 of Bay Division Pipeline Nos. 1 and 2 right-of-way, located in Menlo Park, San Mateo County at an annual fee of \$61,152.

CONSTRUCTION CONTRACTS

Advertise

Moved by Commissioner Werbe, seconded by Commissioner Makras, to adopt Item Nos. 18, 19 and 20; passed (5-0) unanimously.

18. Resolution No. 98-0264: Approving the final plans and specifications and authorizing advertisement for bids for Clean Water Program Contract No. CW-130, Balboa Street and 3rd/20th/42nd Avenues Sewer Replacement.
19. Resolution No. 98-0265: Approving the final plans and specifications and authorizing advertisement for bids for Clean Water Program Contract No. CW-167, Grant Avenue/Chestnut Street Sewer Replacement.
20. Resolution No. 98-0266: Approving the final plans and specifications and authorizing advertisement for bids for Clean Water Program Contract No. CW-174, Howard/Minna/2nd Streets Sewer Replacement.
21. Rejecting bids submitted for Clean Water Program Contract No. CW-123, Harding Park Sewer Replacement, and approving re advertisement of the contract under Contract No. CW-123R.

President Caen asked staff about the reason for changing the engineering estimate. Mr. Everett Hintze, Acting Manager of the Utilities Engineering Bureau, responded that the amount was underestimated when the contract first went out for bids because the contract was not a large project for this type of work and the bidding climate at that time was not too favorable.

Commissioner Makras stated that he was voting against the item. He pointed out that the two bidders bid in good faith. It is the policy of the Commission to take the low bid and; it is fair to award the contract to the low bidder.

Commissioner Normandy expressed concerns that the low bidder came in at 149% over the engineering estimate. He stated that he would support rejecting the bids given that there were only two bidders who bid on the contract and also due to the extreme difference in the bid and the engineering estimate.

Moved by Commissioner Normandy, seconded by Commissioner Werbe, to adopt Item 21; passed (3-1). Commissioner Makras voted no. Commissioner Werbe was excused at 3:11 p.m. during the vote.

Resolution No. 98-0267: Rejecting bids submitted for Clean Water Program Contract No. CW-123, Harding Park Sewer Replacement, and approving re advertisement of the contract under Contract No. CW-123R.

Commissioner Werbe returned at 3:14 p.m.

22. Authorizing re-advertisement for bids for San Francisco Water Department Contract WD-2239.

Moved by Commissioner Normandy, seconded by Commissioner Makras, to adopt Item 22; passed (5-0) unanimously.

Resolution No. 98-0268: Rejecting the sole bid submitted for San Francisco Water Department Contract WD-2239, Town of Sunol Water System Improvements, Auxiliary Domestic Water Storage Tanks; and authorizing re-advertisement for bids.

Award

Moved by Commissioner Werbe, seconded by Commissioner Makras, to adopt Item Nos. 23, 24 and 25; passed (5-0) unanimously.

23. Resolution No. 98-0269: Awarding Clean Water Program Contract No. CW-119, Day/Congo/Marston/Cuvier Streets Sewer Replacement, in the amount of \$404,440 Shaw Pipeline, Inc. Awarding Clean Water Program Contract No.
24. Resolution No. 98-0270: Awarding Clean Water Program Contract No. CW-122, Dolores/Ord/23rd/28th Streets Sewer Replacement, in the amount of \$411,600 to JMB Construction, Inc.
25. Resolution No. 98-0271: Awarding Clean Water Program Contract No. CW-132, 2nd and 9th Streets Sewer Abandonment, in the amount of \$117,000 to Shaw Pipeline, Inc.

Item 26 was deferred until after the Closed Session to allow time for staff to gather information regarding questions pertaining to Item 26.

CLOSED SESSION

27. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating: Nelson/Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiations: Terms and Conditions

No action was taken.

28. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Bay Division Pipeline No. 3 and 4, Parcels 222 and 223
Parties Negotiating: Dowd/Sullivan/Milstein
Lessee: Washington Mutual Bank
Under Negotiation: Consent to Assignment

Moved by Commissioner Makras, seconded by Commissioner Cook, to approve the consent to assignment; passed (4-1). Commissioner Werbe voted no.

Resolution No. 98-0272: Approving the consent of assignment.

29. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Janell Hudson-Alexander vs. City and County of San Francisco
and Joycelyn Hudson vs. City and County of San Francisco

Moved by Commissioner Makras, seconded by Commissioner Cook to approve the following resolutions; passed (5-0) unanimously.

Resolution No. 98-0273: Approving a settlement in the case of Joycelyn Hudson vs. City and County of San Francisco.

Resolution No. 98-0274: Approving a settlement in the case of Jannell Hudson-Alexander vs. City and County of San Francisco.

- 29.a. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property:	Bay Bridge Pump Station
Parties Negotiating:	CCSF-Dowd/Sullivan
Contracting Agency:	CalTrans
Under Negotiation:	Terms and Conditions

No action was taken.

- 29.b. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation:	CCSF As Plaintiff
	PG&E As Defendant

No action was taken.

30. Public Comments on matters to be discussed in Closed Session.

Jim Reuben of Washington Mutual Bank urged the Commission to approve the consent of assignment for Item 28.

31. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Werbe, seconded by Commissioner Cook, to assert the attorney-client privilege; passed (5-0) unanimously.

The Public Utilities Commission met in Closed Session at 3:25 p.m. to discuss the above listed Closed Session matters:

Following the Closed Session, the Public Utilities Commission reconvened in open session at 4:40 p.m.

32. Announcement following Closed Session.

President Caen announced the actions taken during the Closed Session.

33. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Werbe, seconded by Commissioner Normandy, not to disclose the discussion during the Closed Session; passed (5-0) unanimously.

PROFESSIONAL SERVICE CONTRACTS

Amend

26. Amending the agreement with Grueneich Resource Advocates Agreement.

Commissioner Werbe asked about the contractor's hourly pay, the hourly mark up on subcontractors, and the amount of contributions to legislators. Commissioner Makras also inquired about the company's MBE/WBE goals.

Mr. Klein responded to the questions raised above. Diane Gruenich, as Senior Level Attorney, is paid \$195 per hour. She's not a political lobbyist and she had made political contributions for the Superior Court, the Governor's race and Attorney General and they do not total \$2,000. Mr. Klein stated that Gruenich is already a WBE and has no MBE/WBE goals associated with this contract. However, Ms. Gruenich expressed willingness to work with the Human Rights Commission to establish MBE/WBE goals. She does not add markup charges on subcontractors. Commissioner Werbe commented that Gruenich's hourly rate is fair and that he was pleased that she does not add mark ups on subcontracts.

Commissioner Makras moved to approve the item based on the fact that it was not a request for contract extension and the presumption that this contract would be renewed every four years and that the contractor would establish a 25% MBE/WBE participation. He suggested that staff work with the Human Rights Commission to accomplish those goals and, if those goals cannot be reached reasonably, that staff should return to the Commission for direction. He requested staff to make sure that MBE/WBE participation in professional services contracts are looked at in the same way construction contracts are reviewed. Commissioner Werbe seconded.

Commissioner Cook noted that approving the item would give staff time to issue a Request for Proposal for this contract.

President Caen stated that she would vote against the motion with the amendment. She said she would like to see those amendments incorporated into an overall policy rather than as part of the motion. She recommended that staff develop a policy for dealing with professional services contracts and incorporate into the policy Commissioner Makras' ideas of renewing and rebidding professional services contracts every four years and establishing MBE/WBE goals for professional services contracts.

Commissioner Normandy requested the maker and seconder of the motion to withdraw their motion and to take the President's direction to approve the item as is and develop a policy. Commissioner Makras and Commissioner Werbe withdrew their motion.

Moved by Commissioner Makras, seconded by Commissioner Werbe, to adopt Item 26 as is; passed (5-0) unanimously.

Resolution No. 98-0275: Authorizing the General Manager of Public Utilities to negotiate and execute the Fifth Amendment to the agreement with Grueneich Resource Advocates Agreement, increasing the contract funding by \$650,000 for a contract total not to exceed \$2,080,000.

Thereupon, the meeting was adjourned: 4:45 P.M.

Romaine A. Boldridge
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

November 10, 1998

1:00 P.M.

Room 402

1155 Market Street, Fourth Floor

1st Postcard 11/5/98 ✓
DOCUMENTS DEPT.

NOV 10 1998

SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

Ann Moller Caen, President
Robert K. Werbe, Vice President
E. Dennis Normandy
Victor G. Makras
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Management Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call (415) 923-6142. Accessible curb side parking has been designated at points in the vicinity of the meeting location adjacent to the Main Library.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a. Follow up on Mission Bay Project (Moran)
 - b. Clean Water Planning Strategic Plan (Moran)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

REGULAR BUSINESS

9. Establishing a policy with respect to professional services contracting. (Hintze)
10. Report on Budget Priorities. (Moran)
11. Reprioritizing the Clean Water Enterprise capital plan for FY 1998-99 in response to the passage of Proposition H. (Pla)
12. Authorizing the General Manager of Public Utilities to request the Controller to reallocate \$3,627,837 from various Water Enterprise capital projects to fund immediate, short-term needs of other capital projects previously approved by the Commission. (Carmichael)
13. Authorizing the General Manager of Public Utilities to request the Mayor to recommend to the Board of Supervisors approval for a supplemental appropriation in the amount of \$1.9 million to accommodate the expansion of the PUC capital projects staff at 875 Stevenson Street. (Carmichael)
14. Rejecting the proposals received for Clean Water Program Contract No. CS-505, San Francisco Deep Water Outfalls Improvements, Engineering Professional Services, and deferring the project until additional funding is available. (Hintze)
15. Authorizing the General Manager of Public Utilities to request the Mayor to recommend to the Board of Supervisors approval for a supplemental appropriation in the amount of \$1,348,040 from Water Enterprise Unappropriated Fund Balance to fund the spot paving activities of the City Distribution Division. (Flores)
16. Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission for Clean Water Contract No. CW-168, Oakhurst Lane Emergency Sewer Replacement; and requesting the Board of Supervisors to approve the expenditure of funds for emergency work to repair the structurally inadequate sewer on Oakhurst Lane from Warren Drive to Crestmont Drive. (Hintze)

REGULAR BUSINESS (Continued)

- 16.a. Authorizing the advertisement of a Request for Proposals for a developer to finance, design, build and operate a cogeneration facility at the Southeast Water Pollution Control Plant. [Continued from the meeting of October 27, 1998.] (Loiacono/Park)

LEASES AND PERMITS

17. Authorizing the General Manager of Public Utilities to execute a revocable permit with Desert Petroleum, Incorporated, for the sole purpose of obtaining a water sample from their site at 1100 Broadway on Public Utilities Commission land located on a portion of the former Muni right of way, Parcel 23, located in Burlingame, San Mateo County. (Dowd)

CONSTRUCTION CONTRACTS

Advertise

18. Approving the final plans and specifications and authorizing advertisement for bids for Clean Water Program Contract No. CW-111, Mason/Pine/Leavenworth Streets and Meacham Place Sewer Replacement. (Hintze)
19. Approving the final plans and specifications and authorizing advertisement for bids for Clean Water Program Contract No. CW-162, Geary/Turk/Eddy/Elm Streets Sewer Replacement. (Hintze)

Award

20. Awarding Hetch Hetchy Contract HH-872, Moccasin Reservoir Gate Improvements, in the amount of \$488,900 to the lowest responsive bidder, Proven Management, Inc. (Hintze)
21. Awarding Clean Water Program Contract No. CW-143, Cayuga Avenue/Dolores Street/York Street Sewer Replacement in the amount of \$420,680 to the lowest responsive and responsible bidder, Harty Pipelines, Inc. (Hintze)

Amend

22. Amending Hetch Hetchy Water & Power Contract No. HH-859, Moccasin-Newark Transmission Line Tower Painting Phase II, with Midwest Painting, Inc. increasing the contract amount by \$70,000 and extending contract completion date from October 1998 to June 1, 1999. (Hintze)

Close

23. Accepting the work performed under San Francisco Water Department Contract No. WD-2172, 6- and 8-Inch Ductile Iron Main Installation in McCoppin, Jessie, Stevenson, Elgin Park, Pearl, and Brosnan Streets; approving the final payment in the amount of \$7,272.00 to the contractor, E. Mitchell, Inc.; and approving final modification in the credit amount of \$45,765.00. (Hintze)
24. Accepting the work performed under San Francisco Water Department Contract No. WD-2190, 16-Inch Ductile Iron Main Installation in San Bruno Avenue, Paul Avenue, and Bayshore Boulevard; approving the final payment in the amount of \$1,400.00 to the contractor, E. Mitchell, Inc.; and approving final modification in the credit amount of \$44,567.65 (Hintze)
25. Accepting the work performed under San Francisco Water Department Contract No. WD-2194, 6- and 8-Inch Ductile Iron Main Installation in Eleventh Street, Twelfth Street, and other Streets between Howard and Bryant Streets; approving the final payment in the amount of \$500.00 to the contractor, E. Mitchell, Inc.; and approving final modification in the credit amount of \$5,324.40. (Hintze)

PROFESSIONAL SERVICE CONTRACTS

Advertise

26. Authorizing the General Manager of Public Utilities to issue a Request for Proposals (RFP) and negotiate and execute a cost plus fixed fee contract with a consultant firm/team to be selected from the pool of qualified environmental consulting firms to perform the required environmental evaluation of the conversion of the water system's residual disinfectant from chlorine to chloramine. (Carlin)

Award

- 26.a. Authorizing the Manager of the Bureau of Environmental Regulation and Management to negotiate and award a professional services contract with Geoff Brosseau to implement a storm water pollution prevention program with a first year contract amount not to exceed \$100,000 and a total contract amount not to exceed \$400,000 over three years, ending June 30, 2001. (Continued from the meeting of October 13, 1998.
Proposed for continuance to November 24, 1998) (Medbery)

CLOSED SESSION

27. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating: Nelson/Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiations: Terms and Conditions

28. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Bay Bridge Pump Station
Parties Negotiating: CCSF-Dowd/Sullivan
Contracting Agency: CalTrans
Under Negotiation: Terms and Conditions

29. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c): (Mueller/Klein/Park)

Anticipated Litigation: CCSF As Plaintiff
PG&E As Defendant

30. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property:	Portions of Parcel 65 in Sunol, Alameda County
Parties Negotiating:	CCSF - Dowd/Sullivan/Milstein
Lessee:	Mission Valley Rock/RMC Lonestar
Under Negotiation:	Price and Terms

31. Public Comments on matters to be discussed in Closed Session.
32. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS ABOVE LISTED CLOSED SESSION MATTERS.

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

33. Announcement following Closed Session.
34. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

3
232
-3
11/10/98
-4

MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

November 10, 1998
1:00 P.M.
Room 402
1155 Market Street, Fourth Floor

DOCUMENTS DEPT.

DEC 03 1998

SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

Ann Moller Caen, President
Robert K. Werbe, Vice President
E. Dennis Normandy
Victor G. Makras
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Management Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

1. Call to Order: 1:10 P.M.
2. Roll Call: Present - President Ann Moller Caen, Commissioner E. Dennis Normandy, Commissioner Frank L. Cook

Commissioner Victor G. Makras arrived at 1:15 P.M.

Vice President Robert K. Werbe was excused.

3. Approval of Minutes

Moved by Commissioner Normandy, seconded by Commissioner Cook, to approve the Minutes of the Regular Meeting of October 27, 1998 as corrected; passed (3-0) unanimously.

4. Communications

No action was taken.

5. Introduction of Old/Ongoing Business by Commissioners

President Caen directed staff to remove Item 2CC from the list of Old/Ongoing Business as previously requested by Commissioner Normandy.

President Caen directed staff to deal with the budget related items listed on the Old/Ongoing Business List before the budget review period begins.

6. Introduction of New Business by Commissioners

Commissioner Normandy urged the Commission to consider conducting a survey that would focus on obtaining the public's perception of the PUC and the various services the department offers.

Commissioner Makras arrived at 1:16 P.M.

President Caen suggested utilizing the services of Thomas Berliner, former Utilities General Counsel, when his services are necessary. The Commissioners expressed their concurrence.

Regarding the Sunol Valley Water Treatment Plant Improvement Project, Commissioner Normandy asked for assurance from staff that no work would be shifted

from the consultant to PUC staff in trying to find ways to reduce the cost of the project. Mr. Moran responded that the consultant, Montgomery Watson, would be providing the same scope of work negotiated in the contract prior to the Commission's request to cut costs.

7. Report of the General Manager

a. Follow up on Mission Bay Project

Mr. Anson B. Moran, General Manager of Public Utilities, referred to a letter from David Prowler of the Mayor's Office to the Alliance for Clean Water Front, regarding the actions taken pertaining to the Mission Bay Development Project. The letter mentioned that the PUC would be pursuing the development of a Citywide analysis of sewage treatment alternatives and the continued funding for the Technical Review Committee.

b. Clean Water Planning Strategic Plan

Mr. Moran reported that the Clean Water Planning Strategic Plan would be submitted to the Commission for the December 15, 1998 special meeting. He stated that submission of the plan was delayed due to the addition of two new issues - the utilization of alternate treatment technologies and the expansion of the role of the Technical Review Committee.

c. Commission Meeting Schedule

President Caen suggested rescheduling the PUC meeting on November 24, 1998 from 1:00 P.M. to 2:00 P.M. due to a conflict with an event commemorating former Mayor George Moscone and Supervisor Harvey Milk.

8. Public comments on matters that were not on today's agenda.

Jean Moshofsky Butler and Walter Capp urged the Commission to reconsider the sale of fee interest on PUC's pipeline right of way located at Lot 18 Block 3088 in San Francisco. Mr. Moran indicated that the Commission had previously expressed the importance of full ownership of PUC's pipeline rights of way and made it a policy not to sell fee interest on these properties. President Caen inquired whether staff could do something about the maintenance of the property. Commissioner Normandy directed staff to address the maintenance and security issue in the property so as not to prolong the City's exposure to liability. Commissioner Cook suggested that if there were any maintenance issues like this on PUC's properties staff should bring them directly to the Commission for direction. Staff will return to the Commission to address the maintenance issue on the subject property.

REGULAR

9. Establishing a policy with respect to professional services contracting.

Moved by Commissioner Makras, seconded by Commissioner Normandy, to adopt Item 9; passed (4-0) unanimously.

Resolution No. 98-0276: Adopting a policy for contracting for professional services.

10. Report on Budget Priorities.

Mr. Moran gave a brief report regarding the passage of Proposition H, the freeze on water and sewer rates, and its impact on PUC operations. He gave an overall view of actions being taken by staff, such as reducing project costs and reprioritizing capital projects to stay within the rate freeze. He reported that Items 11 through 15 on today's agenda were directly related to this issue. Items 12 and 13 are requests to reallocate funds from projects where the work scope had been reduced, or the project had been completed and there were fund balances remaining. Mr. Moran suggested that Item 15, requesting a supplemental appropriation for spot paving, be removed from the agenda. He reported that staff was still negotiating with the Department of Public Works to reduce the cost of the contract.

Mr. Moran mentioned projects, such as the development of a recycled water master plan that could be delayed, but he believed should be funded as it would provide an opportunity to develop a drought proof water supply and protect the greenbelt assets in the western part of the City. He noted the department's obligation to resolve the odor and flooding problems in the Southeast community and urged that PUC not step back due to a difficult financial situation.

11. Reprioritizing the Clean Water Enterprise capital plan for FY 1998-99.

Michelle Pla, Acting Manager, Bureau of System Planning and Regulatory Compliance, reported that staff used the following as criteria in reprioritizing the Clean Water Enterprise capital improvement projects: public safety, regulatory requirements, water quality, public health, and public demand.

She stated that the approved capital plan for this fiscal year assumed voter authorized debt for flood control that we were unable to issue due to loss of revenue guarantee as a result of the passage of Proposition H. Staff was able to find considerable resources that could be reallocated to this year's capital program. The department has a total capital program of \$34.2 million, \$16.1 million of which is for flood control and \$18.1 million is for major rehabilitation of existing facilities. Staff would be delaying

\$53.0 million worth of flood control and rehabilitation projects. She said the department would be able to do critical flood control projects and move ahead with rehabilitation projects through planning and redesign.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 11; passed (4-0) unanimously.

Resolution No. 98-0277: Reprioritizing the Clean Water Enterprise capital plan for FY 1998-99 in response to the passage of Proposition H.

12. Requesting the Controller to reallocate \$3,627,837 from various Water Enterprise capital projects to fund immediate, short-term capital projects.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 12; passed (4-0) unanimously.

Resolution No. 98-0278: Authorizing the General Manager of Public Utilities to request the Controller to reallocate \$3,627,837 from various Water Enterprise capital projects to fund immediate, short-term needs of other capital projects previously approved by the Commission.

13. Requesting a supplemental appropriation in the amount of \$1.84 million to accommodate the expansion of the PUC capital projects staff at 875 Stevenson Street.

Moved by Commissioner Normandy, seconded by Commissioner Makras, to adopt Item 13; passed (4-0) unanimously.

Resolution No. 98-0279: Authorizing the General Manager of Public Utilities to request the Mayor to recommend to the Board of Supervisors approval for a supplemental appropriation in the amount of \$1.84 million to accommodate the expansion of the PUC capital projects staff at 875 Stevenson Street.

14. Rejecting the proposals received for Clean Water Program Contract No. CS-505, San Francisco Deep Water Outfalls Improvements.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt Item 14; passed (4-0) unanimously.

Resolution No. 98-0280: Rejecting the proposals received for Clean Water Program Contract No. CS-505, San Francisco Deep Water Outfalls Improvements, Engineering Professional Services, and deferring the project until additional funding is available.

15. Authorizing the General Manager of Public Utilities to request the Mayor to recommend to the Board of Supervisors approval for a supplemental appropriation in the amount of \$1,348,040 from Water Enterprise Unappropriated Fund Balance to fund the spot paving activities of the City Distribution Division.

Item 15 was removed from the agenda as requested by staff.

16. Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission for Clean Water Contract No. CW-168, Oakhurst Lane Emergency Sewer Replacement.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt Item 16; passed (4-0) unanimously.

Resolution No. 98-0281: Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission for Clean Water Contract No. CW-168, Oakhurst Lane Emergency Sewer Replacement; and requesting the Board of Supervisors to approve the expenditure of funds for emergency work to repair the structurally inadequate sewer on Oakhurst Lane from Warren Drive to Crestmont Drive.

- 16.a. Authorizing the advertisement of a Request for Proposals for a developer to finance, design, build and operate a cogeneration facility at the Southeast Water Pollution Control Plant. [Continued from the meeting of October 27, 1998.]

Lawrence T. Klein, General Manager, Hetch Hetchy Water & Power, gave a presentation of the different alternatives for developing a cogeneration facility at the Southeast Water Pollution Control Plant. Those alternatives were: 1) hiring a private developer to finance, own and operate the cogeneration facility for 30 years to

minimize the risk to the City; 2) hiring a private developer to finance, own and operate the facility with the City having the opportunity of buying out the developer after five years at the end of the California Energy Commission (CEC) program; and 3) having the City finance and operate the plant through municipal lease and bond issue. The estimated cost of building a cogeneration facility is \$4.8 million.

Mr. Klein explained that the advantages of going with Alternative 1 are that no city funds will be used, there will be no risks to the City, and the developer could provide the technical expertise. The disadvantage is that it has the lowest benefit to the City. With Alternative 2, the City would avoid the development and construction risks, and the cost of acquisition will decline. However, the cost of the project while owned by the developer would be higher and the City has to pay extra to buy the project. With Alternative 3, the financing cost is lower, there is no income tax but it exposes the City to development and operating risks. Mr. Klein stated that Alternative 3 is not an attractive option since PUC does not have the technical expertise or funds to own and operate a cogeneration facility. He also indicated that we cannot issue bonds on a timely basis to meet CEC's requirements for development of a project plan by April 1, 1999.

Responding to Commissioner Makras' statement, Mr. Moran said that staff assumed that a private partnership makes more sense in terms of design/construction, financing, and risk management but it was staff's intent for the City to own and operate the facility.

Commissioner Makras expressed concerns that the proposal has low benefits to the City and high profit for the developer; therefore, he was voting against the resolution.

Commissioner Normandy expressed support in proceeding with the Request for Proposal to study the situation further and to see what the benefits are to the City without the promise that we will continue with it. John Roddy, Deputy City Attorney, stated that the way the resolution was written the City has no contractual obligations.

Commissioner Makras pointed out that he did not have a problem proceeding with building a cogeneration facility. He said he would like the Department of Public Works or the Clean Water Enterprise to apply for the \$1 million CEC grant and not pass off the responsibility to a private developer. He said he would like to explore why the City cannot build or operate the facility.

Responding to Commissioner Normandy's query, Mr. Klein stated that staff would present the bids to the Commission where the PUC would have the chance to decide whether it is worth proceeding with the project and whether to buy it out at the price established. He stated that staff will explore the possibility of whether the City as an entity could apply for the grant as suggested by Commissioner Makras. Commissioner Cook suggested that the General Counsel write an opinion on whether the City could own the facility or not.

President Caen stated that she would support the item as long as it is not described as a private developer.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 16.a; passed (3-1). Commissioner Makras voted no.

Resolution No. 98-0282: Authorizing the advertisement of a Request for Proposals for a developer to finance, design, build and operate a cogeneration facility at the Southeast Water Pollution Control Plant.

LEASES AND PERMITS

17. Authorizing issuance of a revocable permit to Desert Petroleum, Incorporated.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt Item 17; passed (4-0) unanimously.

Resolution No. 98-0283: Authorizing the General Manager of Public Utilities to execute a revocable permit with Desert Petroleum, Incorporated, for the sole purpose of obtaining a water sample from their site at 1100 Broadway on Public Utilities Commission land located on a portion of the former Muni right of way, Parcel 23, located in Burlingame, San Mateo County.

CONSTRUCTION CONTRACTS

Advertise

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Items No. 18 and 19; passed (4-0) unanimously.

18. Resolution No. 98-0284: Approving the final plans and specifications and authorizing advertisement for bids for Clean Water Program Contract No. CW-111, Mason/Pine/Leavenworth Streets and Meacham Place Sewer Replacement.
19. Resolution No. 98-0285: Approving the final plans and specifications and authorizing advertisement for bids for Clean Water Program Contract No. CW-162, Geary/Turk/Eddy/Elm Streets Sewer Replacement.

Award

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Items No. 20 and 21; passed (4-0) unanimously.

20. Resolution No. 98-0286: Awarding Hetch Hetchy Contract HH-872, Moccasin Reservoir Gate Improvements, in the amount of \$488,900 to the lowest responsive bidder, Proven Management, Inc.
21. Resolution No. 98-0287: Awarding Clean Water Program Contract No. CW-143, Cayuga Avenue/Dolores Street/York Street Sewer Replacement in the amount of \$420,680 to the lowest responsive and responsible bidder, Harty Pipelines, Inc.

Amend

22. Amending Hetch Hetchy Water & Power Contract No. HH-859, Moccasin-Newark Transmission Line Tower Painting Phase II.

Commissioner Makras was excused at 2:40 p.m.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 22; passed (3-0) unanimously.

Resolution No. 98-0288: Amending Hetch Hetchy Water & Power Contract No. HH-859, Moccasin-Newark Transmission Line Tower Painting Phase II, with Midwest Painting, Inc. increasing the contract amount by \$70,000 and extending contract completion date from October 1998 to June 1, 1999.

Close

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Items No. 23, 24 and 25; passed (3-0) unanimously.

23. Resolution No. 98-0289: Accepting the work performed under San Francisco Water Department Contract No. WD-2172, 6- and 8-Inch Ductile Iron Main Installation in McCoppin, Jessie, Stevenson, Elgin Park, Pearl, and Brosnan Streets; approving the final payment in the amount of \$7,272.00 to the contractor, E. Mitchell, Inc.; and approving final modification in the credit amount of \$45,765.00.

24. Resolution No. 98-0290: Accepting the work performed under San Francisco Water Department Contract No. WD-2190, 16-Inch Ductile Iron Main Installation in San Bruno Avenue, Paul Avenue, and Bayshore Boulevard; approving the final payment in the amount of \$1,400.00 to the contractor, E. Mitchell, Inc.; and approving final modification in the credit amount of \$44,567.65.
25. Resolution No. 98-0291: Accepting the work performed under San Francisco Water Department Contract No. WD-2194, 6- and 8-Inch Ductile Iron Main Installation in Eleventh Street, Twelfth Street, and other Streets between Howard and Bryant Streets; approving the final payment in the amount of \$500.00 to the contractor, E. Mitchell, Inc.; and approving final modification in the credit amount of \$5,324.40.

PROFESSIONAL SERVICE CONTRACTS

Commissioner Makras returned at 2:45 p.m.

Advertise

26. Authorizing the issuance of a Request for Proposals (RFP) to perform the required environmental evaluation of the conversion of the water system's residual disinfectant from chlorine to chloramine.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 26; passed (4-0) unanimously.

Resolution No. 98-0292: Authorizing the General Manager of Public Utilities to issue a Request for Proposals (RFP) and negotiate and execute a cost plus fixed fee contract with a consultant firm/team to be selected from the pool of qualified environmental consulting firms to perform the required environmental evaluation of the conversion of the water system's residual disinfectant from chlorine to chloramine.

Award

- 26.a. Authorizing the Manager of the Bureau of Environmental Regulation and Management to negotiate and award a professional services contract with Geoff Brosseau to implement a storm water pollution prevention program with a first year contract amount not to exceed \$100,000 and a total contract amount not to exceed \$400,000 over three years, ending June 30, 2001. (Continued from the meeting of October 13, 1998. Proposed for continuance to November 24, 1998)

Item 26 was continued to November 24, 1998.

CLOSED SESSION

27. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation:	As Plaintiff and as Defendant
Property:	500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating:	Nelson/Lymburn/Thompson/Malamut City of Pleasanton
Under Negotiations:	Terms and Conditions

No action was taken on Item 27.

28. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property:	Bay Bridge Pump Station
Parties Negotiating:	CCSF-Dowd/Sullivan
Contracting Agency:	CalTrans
Under Negotiation:	Terms and Conditions

No action was taken on Item 28.

29. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: CCSF As Plaintiff
PG&E As Defendant

No action was taken on Item 29.

30. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Portions of Parcel 65 in Sunol, Alameda County
Parties Negotiating: CCSF - Dowd/Sullivan/Milstein
Lessee: Mission Valley Rock/RMC Lonestar
Under Negotiation: Price and Terms

No action was taken on Item 30.

31. Public Comments on matters to be discussed in Closed Session.

There were none.

32. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to assert the attorney-client privilege; passed (4-0) unanimously.

The Public Utilities Commission went into Closed Session at 2:50 P.M. to discuss the above listed Closed Session items:

At 4:00 P.M., the Public Utilities Commission reconvened in an open session.

33. Announcement following Closed Session.

President Caen announced the actions taken during the Closed Session.

34. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Normandy, not to disclose the discussion during the Closed Session; passed (4-0) unanimously.

Thereupon, the meeting was adjourned: 4:03 P.M.

Romaine A. Boldridge
Secretary

3F
82
2
124/98
Spec. 1-1

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

November 24, 1998

2:00 P.M.

Room 402

1155 Market Street, Fourth Floor

DOCUMENTS DEPT

NOV 26 1998

SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

Ann Moller Caen, President
Robert K. Werbe, Vice President
E. Dennis Normandy
Victor G. Makras
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Management Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call (415) 923-6142. Accessible curb side parking has been designated at points in the vicinity of the meeting location adjacent to the Main Library.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code § 16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a. Lead Fixtures (DeGraca)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

REGULAR BUSINESS

9. Authorizing staff to proceed to obtain approvals for the implementation of the "Feasibility Evaluation of Alternatives to Raise Lake Merced", Alternative No. 1 (Add SFPUC Imported Surface Water Directly to the Lake), and Alternative No. 7 (Divert Storm Water from Vista Grande Canal to the Lake). (Ryan)

LEASES AND PERMITS

10. Authorizing the General Manager of Public Utilities to execute a permit to Newark Evangelical Free Church, for parking and landscaping purposes on Parcels 1244(1), 1244(2) and a portion of Parcels 1611(1), 1247, 1248, and 1249 of Bay Division Pipeline Nos. 1 and 2 right of way in Newark, California. (Dowd)

CONSTRUCTION CONTRACTS

Advertise

11. Approving the final plans and specifications and authorizing advertisement for bids for Clean Water Program Contract No. CW-198, Southeast Water Pollution Control Plant 250 MGD Cleanup - Phase 1. (Hintze)

Award

12. Awarding Clean Water Program Contract No. CW-135, Channel Street Pump Station Sluice Gate Replacement, to Pan Marine Constructors, Inc. in the amount of \$136,689. (Hintze)
13. Awarding San Francisco Water Department Contract WD-2216, 8-Inch Ductile Iron Main Installation in 24th Street between Potrero Avenue and Vermont Street, and in 25th Street between Mission and Harrison Streets, to the lowest responsive and responsible bidder, E. Mitchell, Inc. in the amount of \$334,430; and rejecting the bid submitted by Willie Electric, Inc. (Hintze)

Amend

14. Approving Contract Modification No. 1 to Clean Water Program Contract No. CW-121, Pine/California/Delancey Street Sewer Replacement, in the amount of \$42,500 for a contract total of \$486,240 and extending contract completion date by 60 calendar days. (Hintze)

Close

15. Accepting the work performed under Clean Water Program Contract No. 1405N, Natoma/Green Streets Sewer Replacement, as satisfactorily completed, approving contract modification in the debit amount of \$10,033; and authorizing final payment of \$10,913 to the contractor, Harty Pipelines. (Hintze)
16. Accepting the work performed under the San Francisco Water Department Contract No. WD-2198, Town of Sunol Water System Improvements, as satisfactorily completed; approving contract modification in the debit amount of \$15,012.22; extending contract completion time by 202 calendar days; releasing retention in the amount of \$500.00; and authorizing final payment of \$15,512.22 to the contractor, Mendelian Construction, Inc. (Hintze)

PROFESSIONAL SERVICE CONTRACTS

Advertise

17. Authorizing the General Manager of Hetch Hetchy Water & Power to solicit proposals from qualified firms to provide as-needed energy engineering services to support Hetch Hetchy/Bureau of Energy Conservation programs, for a total cost not to exceed \$920,000 over four years. (Continued from the meeting of September 29, 1988.) (Klein)

Award

18. Authorizing the Manager of the Bureau of Environmental Regulation and Management to negotiate and award a professional services contract with Geoff Brosseau to implement a storm water pollution prevention program with a first year contract amount not to exceed \$100,000 and a total contract amount not to exceed \$400,000 over three years, ending June 30, 2001. (Continued from the meeting of November 10, 1998) (Medbery)

Amend

19. Amending the professional services agreement with CH2M Hill, Inc./Olivia Chen Consultants, Inc. to assist with the Information Collection Rule project extending the completion date to December 31, 2000, at no additional cost. (DeGraca)
20. Amending the professional services agreement to continue an existing relationship with Ellison and Schneider to provide legal services, increasing the contract amount by \$450,000 and extending the contract term to December 31, 1999. (Klein)
21. Amending the professional services agreement to continue an existing relationship with JRP Historical Consulting Services to provide professional historical consulting and archiving services, increasing the contract funding by \$20,000 and extending the contract term to December 31, 1999. (Klein)
22. Amending the professional services agreement to continue an existing relationship with Dr. Peter Moyle to provide as needed professional services related to fisheries, extending the contract term to December 31, 1999 at no additional cost. (Klein)
23. Amending the professional services agreement to continue an existing relationship with Murray, Burns, and Kienlen to provide professional engineering services, extending the contract term to December 31, 1999 at no additional cost. (Klein)
24. Amending the professional services agreement to continue an existing relationship with Ronald Yoshiyama to provide fishery consulting services, increasing the contract funding by \$26,000. (Klein)

CLOSED SESSION

25. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating: Nelson/Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiations: Terms and Conditions

26. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Phelan and Ocean Avenue (Balboa Reservoir) owned by SFWD
Parties Negotiating: CCSF - Dowd/Moran
City College of San Francisco
Under Negotiation: Terms and Conditions

27. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Griffith and Fitch Streets Blocks 4794 and 4805 (Griffith Street Pump Station excess) owned by Clean Water Program
Parties Negotiating: Various
Under Negotiation: Terms and Conditions

28. Public Comments on matters to be discussed in Closed Session.

29. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS ABOVE LISTED CLOSED SESSION MATTERS.

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

30. Announcement following Closed Session.

31. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

November 24, 1998
2:00 P.M.
Room 402
1155 Market Street, Fourth Floor

DOCUMENTS DEPT

DEC 23 1998

RECEIVED
PUBLIC UTILITIES

COMMISSIONERS

Ann Moller Caen, President
Robert K. Werbe, Vice President
E. Dennis Normandy
Victor G. Makras
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Management Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

1. Call to Order: 2:08 P.M.
2. Roll Call: Present - President Ann Moller Caen, Commissioner E. Dennis Normandy, Commissioner Frank L. Cook

Vice President Robert K. Werbe and Commissioner Victor G. Makras were excused.
3. Approval of Minutes

Moved by Commissioner Cook, seconded by Commissioner Normandy, to approve the Minutes of the Regular Meeting of November 11, 1998; passed (3-0) unanimously.
4. Communications

No action was taken.
5. Introduction of Old/Ongoing Business by Commissioners

Commissioner Normandy asked the status of the issue raised at the last PUC meeting by two homeowners regarding the City's pipeline right of way, Lot 18 Block 3088 in San Francisco. Mr. Moran responded that staff was working with the two homeowners to come up with ways of accessing the said property either by way of a permit, lease or easement.

Commissioner Cook commented that he drove by the property and he thought that the situation was not as bad as described. Mr. Moran noted that he too visited the property and he observed that part of the property was well tended and the second part was in poor shape but well fenced.

Commissioner Normandy suggested that staff report to the Commission at a future meeting.
6. Introduction of New Business by Commissioners

Commissioner Normandy suggested that staff develop a phased-in plan for the application of the new PUC logo to vehicles. Commissioner Normandy stated that staff has started modifying PUC's letterhead and newsletter and is working on new identification cards for PUC employees.

7. Report of the General Manager

a. Lead Fixtures

Manoucher Boozarpour from the Water Quality Bureau gave a presentation about possible actions for reducing lead exposure at the consumers' tap. The actions he proposed were to enhance public education, to seek a mandate for lower lead content fixtures, and to implement a faucet replacement program. Mr. Boozarpour stated that PUC is already pro active in public outreach. Mandating lower lead content fixtures is not necessary since Proposition 65 will require that by Year 2000, such requirements would only target new construction and remodeled houses. He indicated that a better approach was to do a faucet replacement program that targets the replacement of kitchen faucets or any faucet leaching lead.

Mr. Boozarpour noted that staff needs direction from the Commission regarding the criteria for faucet replacement, distribution of the faucets, the initial size of the program and whether the PUC will provide the faucets free or subsidize the cost.

Commissioner Normandy suggested that staff structure the program using the same concept as the Toilet Rebate program. He noted that if the project were not going to take too much staff time and money, staff should pursue it.

President Caen directed staff to proceed to develop a faucet replacement program and return to the Commission with a recommendation as to the type of program they wish to implement. She also directed staff to continue its public education efforts.

Commissioner Cook suggested that staff provide an estimate of cost so that it could be incorporated in the budget process.

8. Public comments on matters that were not on today's agenda.

There were no comments.

REGULAR

9. Authorization to proceed to obtain approvals for the implementation of the "Feasibility Evaluation of Alternatives to Raise Lake Merced".

Robert Maddow, representing the Olympic Club, the San Francisco Golf Club, and the Lake Merced Golf & Country Club, commented that the golf clubs did not oppose the two alternatives being presented. However, they hope that Alternative 1 involving use of imported surface water would have a limited life span as they believe that surface water should be used for conjunctive use of the westside groundwater basin rather than replenishing the lake. Mr. Maddow expressed concerns with the first paragraph, third sentence of the resolution *"In recent years, water levels in the Lake have decreased because . . . and increases in local groundwater pumping."* He said the sentence suggested that groundwater pumping by the golf courses was the direct cause of the decline in water level of Lake Merced contrary to the studies done by the PUC consultant and staff. The study showed that the primary controlling factor related to the decreasing water level of Lake Merced are precipitations, evaporation and to a lesser degree groundwater pumping. He suggested that the resolution be modified to accurately reflect the consultant's findings by changing *" . . . local groundwater pumping"* to *" . . . to a lesser degree some increases in groundwater pumping from the westside basin."*

Mr. Moran stated that he had no objection to the changes suggested. He said the consultant's study showed that groundwater pumping in the basin continues to be a factor in the decreasing water level in Lake Merced but it is not the predominant factor.

Commissioner Normandy suggested amending the third sentence of the first paragraph, to read: *"In recent years, water levels in the lake have decreased because of . . . and increases in groundwater pumping from the Westside Basin."*

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 9 as amended; passed (3-0) unanimously.

Resolution No. 98-0293: Authorizing staff to proceed to obtain approvals for the implementation of the "Feasibility Evaluation of Alternatives to Raise Lake Merced", Alternative No. 1 (Add SFPUC Imported Surface Water Directly to the Lake), and Alternative No. 7 (Divert Storm Water from Vista Grande Canal to the Lake).

LEASES AND PERMITS

10. Authorizing a permit to Newark Evangelical Free Church, for parking and landscaping purposes.

Garrett Dowd, Manager, Bureau of Commercial Land Management, stated that the Newark Evangelical Free Church, which is a nonprofit group, was not being charged a permit fee but they would reimburse the City for 100% of the real property taxes. Commissioner Cook stated that he was not in favor of authorizing the permit without a fee. Commissioner Normandy expressed concerns about the department's policy and the overall practice. He stated that the Commission would like to help non profit organizations to the extent that it does not negatively affect PUC. Mr. Dowd stated that there is no formal policy covering issuance of permits to non profit organizations. Mr. Moran stated that past practice had been to accommodate non profit organizations.

Mr. Bill Schindler, Building Committee Chairman for Newark Evangelical Free Church, commented that the City's property was critical as the City of Fremont required them to provide additional parking spaces and there was no other property they could use within the City of Fremont for this purpose. He stated that they were willing to pay a fee.

Mr. Dowd noted that the previous permittee paid an annual fee of \$4,500 and today's fair market value is higher than \$4,500. Commissioner Normandy stated that he would not want to charge the fair market value absent the fact that there is no policy at the moment. Mr. Schindler suggested a fee of \$2,250, one half the amount paid by the previous tenant. Commissioner Cook said he could support an annual fee of \$2,000.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 10 as amended; passed (3-0) unanimously.

Resolution No. 98-0294: Authorizing the General Manager of Public Utilities to execute a permit to Newark Evangelical Free Church, for parking and landscaping purposes on Parcels 1244(1), 1244(2) and a portion of Parcels 1611(1), 1247, 1248, and 1249 of Bay Division Pipeline Nos. 1 and 2 right of way in Newark, California at an annual permit fee of \$2,000.

CONSTRUCTION CONTRACTS

Advertise

11. Authorizing advertisement for bids for Clean Water Program Contract No. CW-198.

Moved by Commissioner Cook, seconded by Commissioner Normandy to adopt Item 11; passed (3-0) unanimously.

Resolution No. 98-0295: Approving the final plans and specifications and authorizing advertisement for bids for Clean Water Program Contract No. CW-198, Southeast Water Pollution Control Plant 250 MGD Cleanup - Phase 1.

Award

12. Awarding Clean Water Program Contract No. CW-135.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 12; passed (3-0) unanimously.

Resolution No. 98-0296: Awarding Clean Water Program Contract No. CW-135, Channel Street Pump Station Sluice Gate Replacement, to Pan Marine Constructors, Inc. in the amount of \$136,689.

13. Awarding San Francisco Water Department Contract WD-2216; and rejecting the bid submitted by Willie Electric, Inc.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 13; passed (3-0) unanimously.

Resolution No. 98-0297: Awarding San Francisco Water Department Contract WD-2216, 8-Inch Ductile Iron Main Installation in 24th Street between Potrero Avenue and Vermont Street, and in 25th Street between Mission and Harrison Streets, to the lowest responsive and responsible bidder, E. Mitchell, Inc. in the amount of \$334,430; and rejecting the bid submitted by Willie Electric, Inc.

Amend

14. Approving Contract Modification No. 1 to Clean Water Program Contract No. CW-121.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 14; passed (3-0) unanimously.

Resolution No. 98-0298: Approving Contract Modification No. 1 to Clean Water Program Contract No. CW-121, Pine/California/Delancey Street Sewer Replacement, in the amount of \$42,500 for a contract total of \$486,240 and extending contract completion date by 60 calendar days.

Close

15. Accepting the work performed under Clean Water Program Contract No. 1405N, Natoma/Green Streets Sewer Replacement, as satisfactorily completed, approving contract modification in the debit amount of \$10,033; and authorizing final payment of \$10,913 to the contractor, Harty Pipelines.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 15; passed (3-0) unanimously.

16. Accepting the work performed under the San Francisco Water Department Contract No. WD-2198, Town of Sunol Water System Improvements.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 16; passed (3-0) unanimously.

Resolution No. 98-0300: Accepting the work performed under the San Francisco Water Department Contract No. WD-2198, Town of Sunol Water System Improvements, as satisfactorily completed; approving contract modification in the debit amount of \$15,012.22; extending contract completion time by 202 calendar days; releasing retention in the amount of \$500.00; and authorizing final payment of \$15,512.22 to the contractor, Mendelian Construction, Inc.

PROFESSIONAL SERVICES CONTRACTS

President Caen took Items 17 and 18 out of order for discussion after the Closed Session.

Amend

19. Extending the professional services agreement with CH2M Hill, Inc./Olivia Chen Consultants, Inc.

Moved by Commissioner Caen, seconded by Commissioner Normandy, to adopt Item 19; passed (3-0) unanimously.

Resolution No. 98-0302: Amending the professional services agreement with CH2M Hill, Inc./Olivia Chen Consultants, Inc. to assist with the Information Collection Rule project extending the completion date to December 31, 2000, at no additional cost.

Commissioner Normandy commended Andrew DeGraca for taking the lead in the implementation of the Identification Card Program. He requested Mr. DeGraca to make a brief presentation to the Commission regarding the extent of the program at a future meeting.

Mr. Moran stated that he was proposing approval of Item 22 and Item 24 based on the recommendation by the Human Rights Commission representative that the consultants for these projects met the sole source qualification for the type of expertise PUC was seeking. He recommended that Items 20, 21 and 23 be continued to the next PUC meeting scheduled on December 15, 1998.

20. Amending the professional services agreement to continue an existing relationship with Ellison and Schneider to provide legal services, increasing the contract amount by \$450,000 and extending the contract term to December 31, 1999.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to continue Item 20 to the special PUC meeting on December 15, 1998; passed (3-0) unanimously.

21. Amending the professional services agreement to continue an existing relationship with JRP Historical Consulting Services to provide professional historical consulting and archiving services, increasing the contract funding by \$20,000 and extending the contract term to December 31, 1999.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to continue Item 21 to the special PUC meeting on December 15, 1998; passed (3-0) unanimously.

22. Amending the professional services agreement with Dr. Peter Moyle.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 22; passed (3-0) unanimously.

Resolution No. 98-0303: Amending the professional services agreement to continue an existing relationship with Dr. Peter Moyle to provide as needed professional services related to fisheries, extending the contract term to December 31, 1999 at no additional cost.

23. Amending the professional services agreement to continue an existing relationship with Murray, Burns, and Kienlen to provide professional engineering services, extending the contract term to December 31, 1999 at no additional cost.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to continue Item 23 to the special PUC meeting on December 15, 1998; passed (3-0) unanimously.

24. Amending the professional services agreement with Ronald Yoshiyama.

Commissioner Cook reiterated the Commission's direction to put all expiring and extended contracts out for bids. Commissioner Normandy stated that since HRC qualified the consultant as sole source, he would support approval of the resolution.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 24; passed (3-0) unanimously.

Resolution No. 98-0204: Amending the professional services agreement to continue an existing relationship with Ronald Yoshiyama to provide fishery consulting services, increasing the contract funding by \$26,000.

CLOSED SESSION

25. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating: Nelson/Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiations: Terms and Conditions

No action was taken.

26. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Phelan and Ocean Avenue (Balboa Reservoir) owned by SFWD
Parties Negotiating: CCSF - Dowd/Moran
City College of San Francisco
Under Negotiation: Terms and Conditions

No action was taken.

27. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Griffith and Fitch Streets Blocks 4794 and 4805 (Griffith Street Pump Station excess) owned by Clean Water Program
Parties Negotiating: Various
Under Negotiation: Terms and Conditions

No action was taken.

28. Public Comments on matters to be discussed in Closed Session.

There were none.

29. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to assert the attorney-client privilege; passed (3-0) unanimously.

The Public Utilities Commission met in Closed Session at 3:20 P.M. to discuss the above listed Closed Session items.

At 4:00 P.M., the Public Utilities Commission reconvened in an open session.

30. Announcement following Closed Session.

President Caen announced the actions taken during the Closed Session.

31. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Normandy, seconded by Commissioner Cook, not to disclose the discussion during the Closed Session; passed (3-0) unanimously.

PROFESSIONAL SERVICE CONTRACTS

Advertise

17. Authorizing the General Manager of Hetch Hetchy Water & Power to solicit proposals from qualified firms to provide as-needed energy engineering services to support Hetch Hetchy/Bureau of Energy Conservation programs, for a total cost not to exceed \$920,000 over four years. (Continued from the meeting of September 29, 1998.)

John Deakin, Manager of the Bureau of Energy Conservation, gave a presentation regarding the various programs conducted by the bureau and the services they provide to general fund departments.

Mr. Deakin addressed the economic benefits of the energy engineering services contract. He stated that the consultant's services would generate \$5 million in energy savings. The project would yield 33% return on investments over three years. The General fund would save \$3 million in energy costs and \$1.3 million in maintenance savings from completed energy projects.

The services of the consultant would include retrofitting of existing buildings, assisting the Department of Public Works for energy efficiency design for new construction projects, developing new programs, developing guidelines and assisting staff in conducting workshops.

President Caen expressed concerns that there may be a duplication of work between building architects and the Bureau of Energy Conservation. She stated that it should be the architect's responsibility to come up with energy efficient buildings and not the PUC. She also expressed interest in a performance-based contract for this type of work to achieve more savings. She suggested continuance of the item for staff to respond to questions regarding the scope of work and the best way of bidding the contract out. She requested that staff prepare a comparison between the contract as proposed versus a performance-based contract and show the difference in dollar amounts.

Terry O'Sullivan of the Bureau of Energy Conservation responded that staff had investigated this matter and found that the optimal mechanism for the City was not performance contracting but a bundled approach where they would bundle audit design and construction management services under a single contract. Staff did not decide to go with performance contracting as it involves a lot of additional fees and profit for project management and oversight functions. He said the Bureau of Energy Conservation could provide these functions at a much cheaper price. He added that staff is considering performance contracting in developing new programs for enterprise departments. Ms. Christine Vance, from the Bureau of Energy Conservation, noted that they did not recommend performance contracting for this contract as staff had an assurance of what the savings would be from the project.

Commissioner Normandy concurred with continuing the item to address the concerns of President Caen. He requested staff to provide back up information to the statement written in the agenda item that *"Investment in this program have had an 80% return on investment during the last three years."*

Moved by Commissioner Normandy, seconded by Commissioner Cook, to continue Item 17 to the call of the Chair; passed (3-0) unanimously.

Award

18. Awarding a professional services contract to Geoff Brosseau to implement a storm water pollution prevention program. (Continued from the meeting of November 10, 1998)

Daniel Rourke of the Bureau of Environmental Regulation Management (BERM) gave a presentation regarding the values of the Storm Water Pollution Prevention Program.

Mr. Rourke responded to the Commission's concerns regarding possible duplication of work between the Department of Public Health (DPH) and BERM. He stated that DPH focuses on the proper registration, storage and disposal of hazardous waste and they do not cover storm water contamination. BERM focuses on operations or processes that contribute to storm water contamination. He said 90% of BERM's focus is not covered by DPH and 60% of businesses targeted by BERM are not covered by DPH. He added that BERM samples and analyzes storm water discharges while DPH does not.

Mr. Rourke noted that the contract deliverables for this project involve business audits and on-site assistance, expert assistance in storm water regulations, evaluation of alternative storm water treatment, and identifying and evaluating storm water projects.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 18; passed (3-0) unanimously.

Resolution No. 98-0301: Authorizing the Manager of the Bureau of Environmental Regulation and Management to negotiate and award a professional services contract with Geoff Brosseau to implement a storm water pollution prevention program with a first year contract amount not to exceed \$100,000 and a total contract amount not to exceed \$400,000 over three years, ending June 30, 2001.

Thereupon, the meeting was adjourned:

4:43 P.M.

Romaine A. Boldridge
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

DOCUMENTS DEPT.

DEC 17 1998

SAN FRANCISCO
PUBLIC LIBRARY

SPECIAL MEETING

December 15, 1998

1:00 P.M.

Room 402

1155 Market Street, Fourth Floor

COMMISSIONERS

Ann Moller Caen, President
Robert K. Werbe, Vice President
E. Dennis Normandy
Victor G. Makras
Frank L. Cook

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Management Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, Fourth Floor, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: Muni Metro Lines J-Church, K-Ingleside, L-Taraval, M-Oceanview, and N-Judah at Civic Center Station; and surface lines 9 and 9X San Bruno, 19 Polk, 26 Valencia, and 71 Haight Noriega. For information about MUNI accessible services call (415) 923-6142. Accessible curb side parking has been designated at points in the vicinity of the meeting location adjacent to the Main Library.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, 401 Van Ness Avenue, Room 402.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

1155 Market Street Fourth Floor Meeting Room Safety Announcement

If there is an emergency that requires meeting attendees to evacuate the building, everyone should exit the building in a calm manner using one of the two exit stairways. **Do not use the elevators.**

Your primary exit stairway is located through the elevator lobby and to the right past the restroom. If the exit is not useable, PUC staff will direct you to the alternate exit.

All exit ways are marked by green overhead exit signs. In the event that the building alarm is activated, fire doors that are usually left open may close but they will not lock. You may have to go through a closed door to reach the exit stairway.

If you require assistance in evacuating, please request the aid of PUC staff.

ORDER OF BUSINESS

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a. Power Outage (Moran)
 - b. Budget Schedule (Moran)
 - c. Combined Charities (Mullane)
 - d. Digester Update - 10 mins. (Loiacono)
 - e. Meetings in City Hall (Moran)
8. Public Comments
 - a. Nello Prato

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

REGULAR BUSINESS

9. Authorizing the General Manager of Public Utilities to submit to the Mayor and the Board of Supervisors a supplemental appropriation request in the amount of \$877,260 to fund the spot paving activities of the City Distribution Division. (Flores)
10. Approving the financing documents for a PUC commercial paper program to finance short-term construction for water enterprise projects. (Carmichael)
11. Authorizing the Finance Director to issue a Request for Proposals for underwriting services in connection with the issuance of authorized water revenue bonds in the amount of \$304 million and refinancing existing water and wastewater debt. (Carmichael)
12. Presentation on San Francisco Integrated Water Resource Plan. 8 mins. (Williams)
13. Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission for Clean Water Contract No. CW-190E, Naglee Avenue Emergency Sewer Replacement, and requesting the Board of Supervisors' approval of expenditure of funds for emergency work. (Hintze)
14. Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission for Clean Water Contract No. CW-197E, Brannan Street Emergency Side Sewer Replacement, and requesting the Board of Supervisors' approval of expenditure of funds for emergency work. (Hintze)
15. Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission for Clean Water Contract No. CW-199E, Clay/Joice Streets Emergency Sewer Replacement, and requesting the Board of Supervisors' approval of expenditure of funds for emergency work. (Hintze)

LEASES AND PERMITS

16. Authorizing the General Manager of Public Utilities to request the Director of Property to prepare and submit the necessary legislation to the Board of Supervisors to accommodate the jurisdictional transfer of seven parcels of land, located along the south side of Cesar Chavez Street between Mississippi Street and 3rd Street, to the Department of Parking & Traffic for the widening of Cesar Chavez Street at historical cost of \$275,500. (Dowd)
17. Authorizing the General Manager of Public Utilities to request the Director of Property to prepare and submit the necessary legislation to the Board of Supervisors to accommodate the vacation and sale of a sewer easement comprising approximately 100 sq. ft., located at Bluxome, 5th and Townsend Streets (Block 3786, Lot 17), by way of a quitclaim deed to 394 Townsend Associates, LLC for \$2,500.00. (Dowd)
18. Authorizing the General Manager of Public Utilities to execute a lease with Analog Devices, Inc., for approximately 0.48 acres of PUC land located on a portion of Parcel 156A of Bay Division Pipeline Nos. 3 and 4 right of way in Sunnyvale, California, for parking purposes at an annual rental rate of \$22,580. (Dowd)
19. Authorizing the General Manager of Public Utilities to execute a lease with Bianchi Joint Venture, Paul Enterprises and Pace Partners, for approximately 0.53 acres of PUC land located on a portion of Bay Division Pipeline No. 3, Parcel 173 in Sunnyvale, California, for access, parking and landscaping purposes at an annual base rate of \$11,496. (Dowd)
20. Authorizing the General Manager of Public Utilities to execute a 40-year lease agreement with Hansen PSC, Inc., for approximately .542 acres of PUC land located on a portion of Parcel 2007(1) of Bay Division Pipeline Nos. 1 and 2 right of way in Menlo Park, California, for parking, landscaping, crossover and access to tenant's adjacent land and building, at an annual rental rate of \$22,092. (Dowd)
21. Authorizing the General Manager of Public Utilities to execute a permit with Mahikari of America, San Francisco DOJO, a non profit organization, for landscaping, vehicular and pedestrian cross over to adjoining land and building of permittee on a portion of Parcel 57A of San Francisco lands, adjacent to 1155 Junipero Serra Boulevard in San Francisco. (Dowd)

CONSTRUCTION CONTRACTS

Award

22. Awarding Clean Water Program Contract No. CW-111, Mason/Pine/Leavenworth Streets and Meacham Place Sewer Replacement, in the amount of \$314,000 to K. J. Woods Construction, Inc. (Hintze)
23. Awarding Clean Water Program Contract No. CW-129, Broadway/Bryant/Sonoma Streets Sewer Replacement, in the amount of \$241,182 to Uniacke Construction, Inc. (Hintze)

Amend

24. Amending Clean Water Program Contract No. CW-139, Channel Pump Station Variable Speed Control Improvements Project, in the amount of \$109,536; and approving a time extension of 35 calendar days. (Hintze)

Close

25. Accepting the work performed under San Francisco Water Department Contract No. WD-2126, 6-Inch Ductile Iron Main Installation in Spruce, Cook, Blake, Collins and Woods Streets between Anza Street and Euclid Avenue as completed; approving Contract Modification No.1 in the credit amount of \$49,923.27; changing the contract performance time from 125 calendar days to 229 calendar days; assessing liquidated damages of \$35,500 for 71 calendar days of avoidable delays; and approving final payment in the amount of \$40,136.78 to the contractor, Marinship Construction Services, Inc. (Hintze)
26. Accepting the work performed under San Francisco Water Department Contract No. WD-2154, Cement Mortar Line 54-Inch Pipeline in Junipero Serra Boulevard from Holloway Avenue to Sloat Boulevard as completed; extending the contract completion date to June 23, 1998 for unavoidable delays; increasing the contract amount by a debit amount of \$62,890.52; and approving final payment in the amount of \$164,197.18 to the contractor, J. Fletcher Creamer & Sons, Inc. and Marinship Construction, Inc., a joint venture. (Hintze)

27. Accepting the work performed under San Francisco Water Department Contract No. WD-2162, 8-Inch Ductile Iron Main Installation in Monterey Boulevard between St. Elmo and San Anselmo Streets and in Mangels Avenue between Congo and Detroit Streets as completed; extending the contract completion date by one calendar day for rain caused delay; approving a credit modification in the amount of \$65,847.00; and approving final payment in the amount of \$2,530.00 to the contractor, Marinship Construction, Inc. (Hintze)
28. Accepting the work performed under San Francisco Water Department Contract No. WD-2103, 16-Inch Ductile Iron Feeder Main Installation in Valencia Street between Market Street and 16th Street, as satisfactorily completed; approving credit contract modification No. 1 in the amount of \$25,793.42; approving time extension of 32 calendar days for unavoidable delays; and authorizing final payment in the amount of \$2,500 to the contractor, P & J Utility Co. (Hintze)
29. Accepting the work performed under San Francisco Water Department Contract No. WD-2121, 8-Inch Ductile Iron Feeder Main Installation in Bayshore between Oakdale Street and Industrial Street, as satisfactorily completed; approving credit contract modification No. 1 in the amount of \$49,525; and authorizing final payment in the amount of \$2,303 to the contractor, P & J Utility Co. (Hintze)
30. Accepting the work performed under Clean Water Program Contract Specification No. 1165N, North Point Water Pollution Control Plant Improvements - Phase 1 as completed; approving contract modification in the amount of \$31,573; and approving final payment in the amount of \$50,329 to the contractor, Schram Construction, Inc. (Hintze)
31. Accepting the work performed under Clean Water Program Contract Specification No. 1186N, North Shore Pump Station Reliability Improvements as completed; approving contract modification No. 4 in the amount of \$82,500; and approving final payment in the amount of \$50,000 to the contractor, Schram Construction, Inc. (Hintze)
32. Accepting the work performed under Clean Water Program Contract Specification No. 1221N, Lyon/Sacramento/Post Streets Sewer Replacement as completed; approving contract modification in the credit amount of \$30,715; approving final payment in the amount of \$14,258.13 to the contractor, K. J. Woods Construction, Inc.; and approving an 81-day time extension for contract completion. (Hintze)

PROFESSIONAL SERVICE CONTRACTS

Advertise

33. Authorizing the General Manager of Public Utilities to advertise a Request for Proposals for program management services in support of the PUC's \$3.5 billion capital improvement program. 10 mins. (Williams)
34. Authorizing the Manager of the Utilities Engineering Bureau to advertise and request statements of qualification from engineering consulting firms to create a consulting pool to provide as-needed specialty engineering services for the City Distribution Division's Reservoirs and Tanks Capital Projects for a period of four years with a total spending authority of \$10,000,000. (Hintze)
35. Authorizing the General Manager of Public Utilities to issue a Request for Proposals and negotiate and execute a cost plus fixed fee contract with a consultant to be selected from a pool of qualified environmental consulting firms to prepare the required Initial Study and Environmental Impact Report for the Alameda Creek Fisheries Enhancement Project at a cost not to exceed \$500,000. (Carlin)

Amend

36. Amending the professional services agreement to continue an existing relationship with Ellison and Schneider to provide legal services, increasing the contract amount by \$450,000 and extending the contract term to December 31, 1999. (Continued from the meeting of November 24, 1998.) (Klein)
37. Amending the professional services agreement to continue an existing relationship with JRP Historical Consulting Services to provide professional historical consulting and archiving services, increasing the contract funding by \$20,000 and extending the contract term to December 31, 1999. (Continued from the meeting of November 24, 1998.) (Klein)
38. Amending the professional services agreement to continue an existing relationship with Murray, Burns, and Kienlen to provide professional engineering services, extending the contract term to December 31, 1999 at no additional cost. (Continued from the meeting of November 24, 1998.) (Klein)

39. Amending the professional services agreement with Geomatrix Consultants, Inc. to provide geotechnical and specialized engineering services for the seismic upgrade of BDPL Nos. 1 and 2 at the Hayward Fault crossing; extending the contract completion date from December 1, 1998 to May 31, 1999; and increasing the contract amount by \$35,000. (Hintze)

CLOSED SESSION

40. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation:	As Plaintiff and as Defendant
Property:	500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating:	Nelson/Lymburn/Thompson/Malamut City of Pleasanton
Under Negotiations:	Terms and Conditions

41. Public Comments on matters to be discussed in Closed Session.
42. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS ABOVE LISTED CLOSED SESSION MATTERS.

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

43. Announcement following Closed Session.

44. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

NOTICE OF PUBLIC HEARING

The Public Utilities Commission will conduct a public hearing on Tuesday, January 12, 1999 at 1:00 p.m. at the 4th Floor Conference Room, 1155 Market Street, San Francisco, California to consider revising the Rules of Order of the Public Utilities Commission.

ADDENDUM TO PUC AGENDA

City and County of San Francisco
Public Utilities Commission

December 15, 1998

1:00 P.M.

1155 Market Street, 4th Floor
San Francisco, CA 94103

DOCUMENTS DEPT.

DEC 14 1998

SAN FRANCISCO
PUBLIC LIBRARY

CLOSED SESSION

40. a. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Clayton)

Existing Litigation: Bay Delta Hearings before the State Water Resources Control
Board

- 40.b. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Milstein)

Existing Litigation: Anthony v. CCSF, San Joaquin County No. CV004214.

82
3
1/15/98
ecw1

MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

December 15, 1998
1:00 P.M.
Room 402
1155 Market Street, Fourth Floor

COMMISSIONERS

Ann Moller Caen, President
Robert K. Werbe, Vice President
E. Dennis Normandy
Victor G. Makras
Frank L. Cook

DOCUMENTS DEPT.

JAN 08 1999
SAN FRANCISCO
PUBLIC LIBRARY

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Management Information Systems
Personnel and Training
System Planning and Regulatory Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

1. Call to Order: 1:04 P.M.
2. Roll Call: Present - President Ann Moller Caen, Commissioner E. Dennis Normandy, Commissioner Victor G. Makras, Commissioner Frank L. Cook

Excused - Vice President Robert K. Werbe

3. Approval of Minutes

Moved by Commissioner Normandy, seconded by Commissioner Cook, to approve the Minutes of the Regular Meeting of November 24, 1998; passed (4-0) unanimously.

4. Communications

No action was taken.

5. Introduction of Old/Ongoing Business by Commissioners

Commissioner Normandy requested staff to provide a status report in February 1999 regarding the 525 Golden Gate building. He would like to know whether a Commission meeting room and parking spaces in the building were being considered in the plans.

Regarding Item No. 1 on the Ongoing Business List, *Requesting an Agenda Item affirming PUC's intent to meet its debt obligations*, Commissioner Makras noted that the memorandum received from the City Attorney suffices the Commission's commitment to its bondholders.

Commissioner Makras requested staff to give a presentation to the Commission, at the earliest possible date, regarding alternatives to the private sprinkler system.

Commissioner Makras referred to Mr. Moran's memo of November 9 regarding *UEB Manager's Appointment*, which included the following statement "*I also would like to express my appreciation to Everett Hintze, who once again stepped in to provide consistency and leadership during a time of transition.*" Commissioner Makras expressed concurrence with the statement. He and the Commission also expressed appreciation to Mr. Hintze for his hard work for the PUC.

President Caen directed staff to schedule on the PUC agenda a discussion regarding the analysis of 10-hour and 8-hour shift and overtime versus filling of vacant positions.

6. Introduction of New Business by Commissioners

Commissioner Makras directed staff to explore the opportunity for the PUC to operate the East Palo Alto Public Water District for revenue enhancement. He stated that a newspaper article on December 7, 1998 indicated that this water district may be privatized.

Commissioner Normandy requested staff and the City Attorney to take necessary steps to make sure that the PUC and the utility industry are represented in any of the decisions that will be made by the new water policy team of the new governor.

Commissioner Normandy requested staff to review the various citizen's advisory committees, related to the Department of Public Works/Clean Water Program and provide a summary of the various groups that serves as citizen advisory committee to the PUC focusing on their mandates, composition, duties and responsibilities of each Committee.

Commissioner Normandy requested staff to provide a written report on the sewer repair work being done at Polk Street between Jackson Street and Washington Street as a number of residents raised an issue about the effectiveness of staff's approach to the situation.

President Caen inquired regarding MTBE reports. Andrew De Graca, Manager of the Water Quality Bureau, responded that we were not having MTBE problems in our reservoirs because there are no recreational activities in our watershed. Commissioner Normandy commented that this validates the position the Commission has taken that surface water reservoirs are not for recreation.

7. Report of the General Manager

Anson B. Moran, General Manager of Public Utilities, introduced Michael Quan who was recently appointed as Manager of the Utilities Engineering Bureau.

a. Power Outage

Carolyn H. Olsen, Assistant General Manager for Operations, reported on the power outage that occurred on December 8, 1998. There were no severe main breaks. The Sunol Water Treatment Plant and the Harry Tracy Water Treatment Plant remained in operation while the water ozone facility was down. The City Distribution Division was impacted but staff was able to connect standby power to pump stations that were down.

Ms. Olsen noted that this event led to the need for emergency planning for administrative staff at the 1155 Market Street building and defining staff's roles in an emergency. She said staff is working on a general plan for PUC that addresses all PUC needs and that plan would be presented next month.

President Makras directed staff to review the terms of the City's contract with PG&E and investigate whether PG&E may have defaulted as a result of the power outage.

b. Budget Schedule

Mr. Moran reported that the first budget meeting was scheduled for January 19, 1999. He stated that it is anticipated that the budget will be adopted on February 9, 1999. Mr. Moran asked to schedule the first Tuesday in February for another budget session.

c. Combined Charities

John Mullane, PUC's Coordinator for the Combined Charities Campaign reported that PUC exceeded this year's goal of \$80,000 and increased employee participation by 35%. President Caen presented a check to Patty Fado of the Mayor's Office in the amount of \$80,267 representing the total amount donated by PUC employees to the Combined Charities Campaign.

d. Digester Update

Jon Loiacono of the Bureau of Water Pollution Control, gave a presentation using electronic media, and responded to questions posed by Commissioners at the previous meeting to look at alternative sites for the digesters, to explore more visual mitigation measures, to evaluate and compare the tall and low egg-shaped digesters and to look at generic remote options.

With regard to alternative sites, Mr. Loiacono reported that staff looked at the Dryer Building, Central Shops, Circosta Iron & Metal Shop and the existing Southeast Water Pollution Control Plant as alternative locations for the digester. He said the Circosta site could not support the digesters since the site is landfill and the zoning height limit for the area is only 80 feet. He said staff was not recommending the Circosta Shop and the Central Shop sites due to high costs and significant visual impacts. Circosta Shop is estimated to cost \$146 million and Central Shops \$143 million.

Mr. Loiacono showed slides of tall and low egg-shaped digesters with screening walls to mitigate visual effects in the neighborhood. The low egg-shaped digesters at the Dryer Building with sludge thickening facility would cost \$110 million. The capital cost to build in a remote site for tall egg-shaped digesters is \$240 million and \$260 million for low egg-shaped digesters. Mr. Loiacono stated that moving the digesters to a remote site would result in higher capital costs, higher operating and maintenance costs, and increased environmental risks. We would need a sludge transport facility, boilers to heat the digesters, and we would have to relocate all solids and gas handling facilities to the new site. We would also need additional staffing.

Mr. Loiacono stated that staff recommends the use of the Dryer building site as the preferred alternative site and evaluation of the tall and low egg-shaped digesters. He said that staff would come back in February 1999 to seek the Commission's approval of the facility plan.

- e. Commissioner Normandy requested that the Commission inquire whether the PUC could get an exemption from holding PUC Commission meetings in City Hall until the department moves to 525 Golden Gate Avenue due to logistics issues and the occasional need to access records during the meeting.

8. Public comments on matters that were not on today's agenda.

- a. Mr. Nello Prato, representing the Fort Mason Community Garden, urged the Commission to exempt them from paying for the water used for irrigation purposes. Mr. John Mullane, Manager, Customer Service Bureau, stated that the existing policy provides free water for community gardens that are located on properties owned by the City or the water service has to be in the name of a City department. Commissioner Makras stated that the policy was an appropriate policy to uphold. He suggested that staff look into what the appropriate billing is for this garden. President Caen noted that the Fort Mason Community Garden is not a customer of the PUC. PUC does not have any control on how the National Park Service charges for water consumed for the garden.
- b. David G. Finkelstein, Attorney for Garden Chapel Funeral Directors, requested that the Commission renew their lease for 885 El Camino Real in South San Francisco as it would cause an undue burden to lose their lease due to the nature of their business.

Richard Nuftsger, Chief Operating Officer and President of the Garden Chapel, urged the Commission to offer the lease of the property to the Garden Chapel before the bid goes out to the public.

Jim Datzman, Mayor of South San Francisco, requested extension of the lease at fair market value.

- c. Anne Seeman, Friends of the Visitation Valley Parks, expressed her support of the Visitation Greenway Project proposed for the Reis Tract and the jurisdictional transfer of the lot to Recreation and Park.

Fran Martin and Salvador Velasco commented in favor of the Greenway Project. Mr. Velasco invited the Commission to take a tour of the proposed Greenway project.

Commissioner Caen directed staff to schedule this matter on the agenda for the next meeting.

REGULAR

- 9. Authorizing a supplemental appropriation request to fund the spot paving activities of the City Distribution Division.

Commissioner Normandy suggested a reporting system to monitor completed paving work and whether it was satisfactorily completed.

Moved by Commissioner Makras, seconded by Commissioner Normandy, to adopt Item 9; passed (4-0) unanimously.

Resolution No. 98-0305: Authorizing the General Manager of Public Utilities to submit to the Mayor and the Board of Supervisors a supplemental appropriation request in the amount of \$877,260 to fund the spot paving activities of the City Distribution Division.

- 10. Approving the financing documents for a PUC commercial paper program to finance short-term construction for water enterprise projects.

Commissioner Cook moved to adopt Item 10. Commissioner Makras seconded.

Commissioner Makras inquired whether the agenda item reflected the downgrading of PUC's sewer and water revenue bonds. Steven Carmichael, Finance Director, responded positively. He stated that unlike long term debt, in a commercial paper program, we can sell debt in smaller issuances to take advantage of lower interest rates.

Commissioner Makras requested affirmation from staff that all financing documents required for approval by the Commission have been submitted. Mr. Carmichael stated that the Finance staff, the City Attorney and the bond counsel have reviewed all documents and those were presented to the Commission. Commissioner Makras suggested that staff return to the Commission if any changes have to be made to these documents after the Commission approves them.

Commissioner Makras stated that he was not in favor of a commercial paper program as it would have negative economic effects if the interest rates go up. He said with today's lowest historical point of interest rates, we should lock-in a longer debt term and refinance later.

Commissioner Normandy suggested continuance of the item to address Commissioner Makras' concerns and to establish a sufficient comfort level for the Commission to make a decision. Commissioner Cook and Commissioner Makras withdrew their motion.

Moved by Commissioner Normandy, seconded by Commissioner Makras, to continue Item 10 to the call of the Chair; passed (4-0) unanimously.

11. Authorizing issuance of a Request for Proposals for underwriting services in connection with the issuance of authorized water revenue bonds.

Mr. Carmichael reported that the agenda item would allow staff to create a pool of underwriters who would work on refunding opportunities for water and sewer debts. The team of underwriters would not preclude the department from having competitive sales, refinancing or selling new debt authorized by the voters.

Commissioner Makras stated that he favored the idea of creating a pool but on a shorter time basis. Commissioner Normandy suggested amending the resolution to drop the term "as needed" in the first resolved clause. He also suggested conducting an annual review of the selected pool of underwriters. Commissioner Cook seconded.

Commissioner Normandy clarified his understanding that the pool would be selected through competitive bidding based on certain criteria and after that if there are specific projects that would require the expertise of the members of the pool, staff would have the ability to negotiate the best price. Mr. Carmichael nodded positively. He stated that if the market is in our favor we could go out and do a purely competitive bid process. This would not preclude us from doing that so that we can open the market to everybody instead of the pool already created.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 11 as amended; passed (4-0) unanimously.

Resolution No. 98-0306: Authorizing the Finance Director to issue a Request for Proposals for underwriting services in connection with the issuance of authorized water revenue bonds in the amount of \$304 million and refinancing existing water and wastewater debt.

PROFESSIONAL SERVICE CONTRACTS

Advertise

33. Authorizing the General Manager of Public Utilities to advertise a Request for Proposals for program management services in support of the PUC's Capital Improvement Program.

Mary Williams, Utilities Engineering Bureau Project Manager, gave a presentation regarding the benefits of program management to the PUC and the process for selection of the program manager. Ms. Williams noted that the program would save time and money, it would pay for itself, it would upgrade our resources to do a larger program after the program manager finished, and it would integrate PUC projects into an overall program by providing an organization to manage the capital improvement program. She stated that by hiring a program manager, PUC would realize \$150 million to \$200 million in cost savings and four to six years of time savings.

Zula Jones of the Human Rights Commission discussed HRC's Program in Diversity and the Giants Stadium Model. She suggested that the Program Management Project use the same concept of a Diversity Program to encourage participation of local businesses, contractors, workers, suppliers, vendors and other City departments. She stated that the Giants Stadium Project included brought about 40% minority and women owned business participation in the design and construction of the project.

Commissioner Normandy commented that the project was viewed as a management contract and not an engineering contract. He stated that PUC has very limited resources to manage a large and complex Capital Improvement Program. Regarding performance monitoring, Commissioner Normandy stated that the contractor's performance would be evaluated on a yearly basis and if it was not satisfactory the contract would be terminated.

Commissioner Makras suggested amending the resolution to direct staff to prepare the RFP immediately and bring back the RFP for final approval of the Commission. He mentioned that he had a number of items that he would like staff to incorporate in the RFP.

Public Comments:

Kathleen Price, Vice President of San Francisco International Federation of Local Engineers, (Local 21) requested that the Commission postpone its action until after Local 21 had discussed the matter with PUC staff. She commented that the type of work described in the RFP is regularly done by members of Local 21.

Linda Jofoku, Senior Union Representative, Local 21, also requested continuance of the item. She stated that Local 21 should have been notified about the RFP as this was a classification issue. She expressed concerns that the project deters advancement of in-house staff and woman engineers.

Commissioner Normandy stated that the Commission was sensitive to the issues brought by the speakers regarding opportunities for growth. He said the philosophy of the project was to augment resources by bringing in the private sector, to train and promote staff growth. He said that there would be opportunities to advance our staff when we begin to phase out the program management group.

Moved by Commissioner Normandy, seconded by Commissioner Makras, to adopt Item 33 as amended; passed (4-0) unanimously.

Resolution No. 98-0307: Authorizing the General Manager of Public Utilities to prepare a Request for Proposals for program management services in support of the PUC's \$3.5 billion capital improvement program and return to the Commission for authorization to advertise.

REGULAR

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Items 13, 14 and 15; passed (4-0) unanimously.

13. Resolution No. 98-0308: Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission for Clean Water Contract No. CW-190E, Naglee Avenue Emergency Sewer Replacement, and requesting the Board of Supervisors' approval of expenditure of funds for emergency work.
14. Resolution No. 98-0309: Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission for Clean Water Contract No. CW-197E, Brannan Street Emergency Side Sewer Replacement, and requesting the Board of Supervisors' approval of expenditure of funds for emergency work.

15. Resolution No. 98-0310: Ratifying the Declaration of Emergency made by the President of the Public Utilities Commission for Clean Water Contract No. CW-199E, Clay/Joice Streets Emergency Sewer Replacement, and requesting the Board of Supervisors' approval of expenditure of funds for emergency work.

LEASES AND PERMITS

Moved by Commissioner Normandy, seconded by Commissioner Cook to adopt Items 16, 17, 18 and 19; passed (4-0) unanimously.

16. Resolution No. 98-0311: Authorizing the General Manager of Public Utilities to request the Director of Property to prepare and submit the necessary legislation to the Board of Supervisors to accommodate the jurisdictional transfer of seven parcels of land, located along the south side of Cesar Chavez Street between Mississippi Street and 3rd Street, to the Department of Parking & Traffic for the widening of Cesar Chavez Street at historical cost of \$275,500.
17. Resolution No. 98-0312: Authorizing the General Manager of Public Utilities to request the Director of Property to prepare and submit the necessary legislation to the Board of Supervisors to accommodate the vacation and sale of a sewer easement comprising approximately 100 sq. ft., located at Bluxome, 5th and Townsend Streets (Block 3786, Lot 17), by way of a quitclaim deed to 394 Townsend Associates, LLC for \$2,500.00.
18. Resolution No. 98-0313: Authorizing the General Manager of Public Utilities to execute a lease with Analog Devices, Inc., for approximately 0.48 acres of PUC land located on a portion of Parcel 156A of Bay Division Pipeline Nos. 3 and 4 right of way in Sunnyvale, California, for parking purposes at an annual rental rate of \$22,580.
19. Resolution No. 98-0314: Authorizing the General Manager of Public Utilities to execute a lease with Bianchi Joint Venture, Paul Enterprises and Pace Partners, for approximately 0.53 acres of PUC land located on a portion of Bay Division Pipeline No. 3, Parcel 173 in Sunnyvale, California, for access, parking and landscaping purposes at an annual base rate of \$11,496.

20. Authorizing the General Manager of Public Utilities to execute a 40-year lease agreement with Hansen PSC, Inc., for approximately .542 acres of PUC land located on a portion of Parcel 2007(1) of Bay Division Pipeline Nos. 1 and 2 right of way in Menlo Park, California, for parking, landscaping, crossover and access to tenant's adjacent land and building, at an annual rental rate of \$22,092.

Item 20 was continued.

21. Authorizing the General Manager of Public Utilities to execute a permit with Mahikari of America, San Francisco DOJO, a non profit organization, for landscaping, vehicular and pedestrian cross over to adjoining land and building of permittee on a portion of Parcel 57A of San Francisco lands, adjacent to 1155 Junipero Serra Boulevard in San Francisco.

Robert Valverde, of Sukyo Mahikari, urged the Commission to assess a lower permit fee.

Commissioner Makras expressed concern about providing equity to all non profit organizations in the assessment of fees for permits and leases. Gary Dowd, Manager of the Bureau of Commercial Land Management, stated that there being no policy in place, he recommended a \$200 fee for this permit based on the recent action of the Commission and what would be a reasonable fee in this case. He said that a policy would be drafted by staff for discussion by the Commission.

Commissioner Normandy suggested continuing the item until the Commission had discussion regarding a policy for charging fees to non profit organizations.

Moved by Commissioner Normandy, seconded by Commissioner Caen, to continue Item 21 to January 12, 1999; passed (4-0) unanimously.

CONSTRUCTION CONTRACTS

Award

Moved by Commissioner Makras, seconded by Commissioner Normandy, to adopt Items 22 and 23; passed (4-0) unanimously.

22. Resolution No. 98-0315: Awarding Clean Water Program Contract No. CW-111, Mason/Pine/Leavenworth Streets and Meacham Place Sewer Replacement, in the amount of \$314,000 to K. J. Woods Construction, Inc.

23. Resolution No. 98-0316: Awarding Clean Water Program Contract No. CW-129, Broadway/Bryant/Sonoma Streets Sewer Replacement, in the amount of \$241,182 to Uniacke Construction, Inc.

Amend

Moved by Commissioner Makras, seconded by Commissioner Normandy, to adopt Item 24; passed (4-0) unanimously.

24. Resolution No. 98-0317: Amending Clean Water Program Contract No. CW-139, Channel Pump Station Variable Speed Control Improvements Project, in the amount of \$109,536; and approving a time extension of 35 calendar days.

At 4:05 p.m., the meeting was recessed. At 4:15 p.m. the meeting reconvened.

Commissioner Makras was excused.

Close

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 25; passed (3-0) unanimously.

25. Resolution No. 98-0318: Accepting the work performed under San Francisco Water Department Contract No. WD-2126, 6-Inch Ductile Iron Main Installation in Spruce, Cook, Blake, Collins and Woods Streets between Anza Street and Euclid Avenue as completed; approving Contract Modification No.1 in the credit amount of \$49,923.27; changing the contract performance time from 125 calendar days to 229 calendar days; assessing liquidated damages of \$35,500 for 71 calendar days of avoidable delays; and approving final payment in the amount of \$40,136.78 to the contractor, Marinship Construction Services, Inc.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 26; passed (3-0) unanimously.

26. Resolution No. 98-0319: Accepting the work performed under San Francisco Water Department Contract No. WD-2154, Cement Mortar Line 54-Inch Pipeline in Junipero Serra Boulevard from Holloway Avenue to Sloat Boulevard as completed; extending the contract completion date to June 23, 1998 for unavoidable delays; increasing the contract amount by a debit amount of \$62,890.52; and approving final payment in the amount of \$207,743.02 to the contractor, J. Fletcher Creamer & Sons, Inc. and Marinship Construction, Inc., a joint venture.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Item 27; passed (3-0) unanimously.

27. Resolution No. 98-0320: Accepting the work performed under San Francisco Water Department Contract No. WD-2162, 8-Inch Ductile Iron Main Installation in Monterey Boulevard between St. Elmo and San Anselmo Streets and in Mangels Avenue between Congo and Detroit Streets as completed; extending the contract completion date by one calendar day for rain caused delay; approving a credit modification in the amount of \$65,847.00; and approving final payment in the amount of \$2,530.00 to the contractor, Marinship Construction, Inc.

Commissioner Makras returned at 4:20 p.m.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt Items 28, 29, 30, 31, and 32; passed (4-0) unanimously.

28. Resolution No. 98-0321: Accepting the work performed under San Francisco Water Department Contract No. WD-2103, 16-Inch Ductile Iron Feeder Main Installation in Valencia Street between Market Street and 16th Street, as satisfactorily completed; approving credit contract modification No. 1 in the amount of \$25,793.42; approving time extension of 32 calendar days for unavoidable delays; and authorizing final payment in the amount of \$2,500 to the contractor, P & J Utility Co.

29. Resolution No. 98-0322: Accepting the work performed under San Francisco Water Department Contract No. WD-2121, 8-Inch Ductile Iron Feeder Main Installation in Bayshore between Oakdale Street and Industrial Street, as satisfactorily completed; approving credit contract modification No. 1 in the amount of \$49,525; and authorizing final payment in the amount of \$2,303 to the contractor, P & J Utility Co.
30. Resolution No. 98-0323: Accepting the work performed under Clean Water Program Contract Specification No. 1165N, North Point Water Pollution Control Plant Improvements - Phase 1 as completed; approving contract modification in the amount of \$31,573; and approving final payment in the amount of \$50,329 to the contractor, Schram Construction, Inc.
31. Resolution No. 98-0324: Accepting the work performed under Clean Water Program Contract Specification No. 1186N, North Shore Pump Station Reliability Improvements as completed; approving contract modification No. 4 in the amount of \$82,500; and approving final payment in the amount of \$50,000 to the contractor, Schram Construction, Inc.
32. Resolution No. 98-0235: Accepting the work performed under Clean Water Program Contract Specification No. 1221N, Lyon/Sacramento/Post Streets Sewer Replacement as completed; approving contract modification in the credit amount of \$30,715; approving final payment in the amount of \$14,258.13 to the contractor, K. J. Woods Construction, Inc.; and approving an 81-day time extension for contract completion.

The Commission returned to Item 12 of the Regular Agenda.

12. Presentation on San Francisco Integrated Water Resource Plan.

Mary Williams gave a presentation using electronic media regarding the results of the initial study of the San Francisco Integrated Water Resource Plan and how these results could help in decision making. The Integrated Water Resource Plan addresses San Francisco's future needs for water and available water supply sources.

Jeff Keshel, Vice President at Montgomery Watson, consultant for the project, commented that the PUC water system would be deficient in dry years in the future and the Integrated Water Resource Plan addresses ways to fill up those deficiencies. Mr. Keshel discussed various water resource options that are available to San Francisco. Those options were buying water as needed, purchasing additional water

but we need to construct additional pipeline facilities, and constructing new storage facilities. Local resources include ultra low flow toilet program, landscape audits, new groundwater development in the westside, low flow washing machines, recycled water, and ultra low-flow toilets in hotels.

Staff intends to return to the Commission in February or March to present these options.

Commissioner Makras suggested that staff explore the possibility of a policy recommendation to the Board of Supervisors to implement, by way of an ordinance, replacement of all toilets and showers in San Francisco over a period of 10-20 years and implement other water conservation programs.

PROFESSIONAL SERVICE CONTRACTS

Advertise

34. Authorizing issuance of Request for Statement of Qualifications to create an engineering services consulting pool for the City Distribution Division's Reservoirs and Tanks Capital Projects.

Moved by Commissioner Normandy, seconded by Commissioner Makras, to adopt Item 34; passed (4-0) unanimously.

Resolution No. 98-0326: Authorizing the Manager of the Utilities Engineering Bureau to advertise and request statements of qualification from engineering consulting firms to create a consulting pool to provide as-needed specialty engineering services for the City Distribution Division's Reservoirs and Tanks Capital Projects for a period of four years with a total spending authority of \$10,000,000.

35. Authorizing the General Manager of Public Utilities to issue a Request for Proposals and negotiate and execute a cost plus fixed fee contract with a consultant to be selected from a pool of qualified environmental consulting firms to prepare the required Initial Study and Environmental Impact Report for the Alameda Creek Fisheries Enhancement Project at a cost not to exceed \$500,000.

Item 35 was removed from the agenda.

Item Nos. 36, 37, and 38 were postponed until after the Closed Session.

39. Amending the professional services agreement with Geomatrix Consultants, Inc. to provide geotechnical and specialized engineering services for the seismic upgrade of BDPL Nos. 1 and 2 at the Hayward Fault crossing; extending the contract completion date from December 1, 1998 to May 31, 1999; and increasing the contract amount by \$35,000.

Item 39 was removed from the agenda.

CLOSED SESSION

40. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County.
Parties Negotiating: Nelson/Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiations: Terms and Conditions

No action was taken.

- 40.a. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Bay Delta Hearings before the State Water Resources Control Board

No action was taken.

- 40.b. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Anthony v. CCSF, San Joaquin County No. CV004214.

No action was taken.

41. Public Comments on matters to be discussed in Closed Session.

There were none.

42. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to assert the attorney-client privilege; passed (4-0) unanimously.

The Public Utilities Commission met in Closed Session at 4:42 P.M. to discuss the above listed Closed Session items:

At 7:00 P.M., the Public Utilities Commission reconvened in an open session.

43. Announcement following Closed Session.

President Caen announced the actions taken during the Closed Session.

44. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Normandy, seconded by Commissioner Cook, not to disclose the discussion during the Closed Session; passed (4-0) unanimously.

The Commission returned to the Regular Agenda.

PROFESSIONAL SERVICES CONTRACT

Amend

36. Amending the professional services agreement with Ellison and Schneider to provide legal services. (Continued from the meeting of November 24, 1998.)

Mr. Moran stated that the City Attorney's Office recommended proceeding with this contract on a sole source basis.

Moved by Commissioner Makras, seconded by Commissioner Normandy, to adopt Item 36; passed (4-0) unanimously.

Resolution No. 98-0327: Amending the professional services agreement to continue an existing relationship with Ellison and Schneider to provide legal services, increasing the contract amount by \$450,000 and extending the contract term to December 31, 1999.

37. Amending the professional services agreement to continue an existing relationship with JRP Historical Consulting Services to provide professional historical consulting and archiving services, increasing the contract funding by \$20,000 and extending the contract term to December 31, 1999. (Continued from the meeting of November 24, 1998.)

Mr. Moran stated that the City Attorney recommended continuing the contract on a sole source basis. However, staff was recommending extension of the contract until the second meeting of the Commission in January to give time for staff to discuss subcontracting opportunities with the consultant.

Moved by Commissioner Normandy, seconded by Commissioner Cook to continue Item 37 to January 26, 1999; passed (4-0) unanimously.

Resolution No. 98-0329: Authorizing an extension of the professional services agreement with JRP Historical Consulting Services to cover the work to be performed during January 1999.

38. Amending the professional services agreement to continue an existing relationship with Murray, Burns, and Kienlen to provide professional engineering services, extending the contract term to December 31, 1999 at no additional cost. (Continued from the meeting of November 24, 1998.)

Mr. Moran stated that the City Attorney also recommended continuance of this contract on a sole source basis.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Item 38; passed (4-0) unanimously.

Resolution No. 98-0328: Amending the professional services agreement to continue an existing relationship with Murray, Burns, and Kienlen to provide professional engineering services, extending the contract term to December 31, 1999 at no additional cost.

Thereupon, the meeting was adjourned: 7:05 P.M.

Romaine A. Boldridge
Secretary

